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The Nation's Business

Canadians Show They Can "Take It"

Ottawa long underestimated the willingness of Canadians to make sacrifices and deny themselves in the war emergency.

For weeks, the budget-makers were much worried as to how Canadians would "take" the proposed new taxes and restrictions.

To Ottawa the changes looked drastic, forbidding, prohibitory.

To the average Canadian they appear reasonable, little more than should be expected in time of war. There has been no resentment, no squealing, no complaint.

Mr. Ilsley is to be commended for his forthright action in tackling carefully but decisively the difficult question of U. S. imports.

His speech showed he had been as considerate as he possibly could of a "friendly neighbor."

His fellow-countrymen sense that he has been reasonable and fair in his attempt to conserve foreign exchange and at the same time divert spending power from non-essentials to wartime needs.

* * *

Equality of Sacrifice Should Start at Ottawa

The budget calls on Canadians to make a further sacrifice in peacetime standards of living. Some hardship to certain groups and individuals is inevitable. But this will be accepted as an unavoidable part of the war burden.

Sooner or later the choice between guns and butter (as Professor McQueen points out elsewhere in this issue) must be made. We cannot have both and win the war.

We cannot turn a billion dollars worth of paper plans into guns, tanks, shells, planes, explosives, unless we divert increasingly larger amounts of money and materials from peacetime needs.

Canadians have no wish to spend money on so-called "luxuries" if by avoiding their purchase they can contribute to success in arms.

* * *

What Canadians will require, however, is "equality of sacrifice."

It is not good enough to ask Canadians to accept a lower standard of living if at the same time governments do not make similar demands of themselves.

Latest figures from the Comptroller of the Treasury show that in October the ordinary costs of government (apart from war and special expenditure) were $41 millions. The corresponding figure a year ago was $39 millions.

Comparable figures for the first seven months of the year show ordinary expenditures still running neck and neck with the same period 12 months back.

The call to sacrifice should begin at home—among the budget-makers themselves.

As yet, Ottawa is seemingly oblivious to the necessity of cutting its own coat according to the needs of wartime cloth.

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Making Progress On the Labor Front

Last week's speech in Parliament by Hon. Norman McLarty, Minister of Labor, shows the Government to be moving toward a clear-cut wartime labor policy.

Mr. McLarty's lucid address reflects the support and influence he is getting from his new and able Deputy Minister of Labor, Dr. Bryce M. Stewart.

Dr. Stewart is also chairman of the new interdepartmental committee on wartime labor problems. Though this committee has no authority except to "recommend," its advice is apparently being accepted with readiness by the Government.

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In several directions important action from the labor front is pending.

For one thing, the attempt to estimate the potential demand for wartime industrial labor by questionnaire has proven faulty. New plans based on "man-hour" yardsticks of munitions production are now being worked out by first-hand contact with industry. It is hoped to ascertain the exact number of man-hours required for each unit of production—guns, tanks, planes, etc. Such information is essential factual data on which to base training plans and other wartime labor policies.

Another vitally important matter now under discussion is the adoption throughout Canada of some type of cost-of-living wage bonus, similar in principle to the one now in effect in the Alberta coal mines. Ottawa is reported to be convinced of the need for some plan of this kind to meet the growing urgency of wartime wage problems.

Some salesmanship will apparently be needed to sell employers and employees on the advantages of this plan, which aims to protect labor against increasing wage costs and at the same time avoid the inflationary and calamitous mal-

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See Budget Pointing To Further Curbs

Still Tighter Brake On Civilian Consumption and U. S. Imports Forecast Before Move for U. S. Loans Is Considered

From Our Own Correspondent

OTTAWA.—Although the budget upsets the traditional fiscal policy of this country and will almost certainly give rise to bitter controversies in post-war years, its immediate and only purpose is to increase the United States exchange available to pay for essential war equipment and materials.

To this end:

Many important articles of consumption in Canada are prohibited entry from the United States or from countries in the U. S. dollar area.

Other important articles are placed immediately under an import permit system and imports will be eliminated as speedily as possible.

The tariff is removed from British cottons, artificial silks and other articles so that British producers may capture some of the trade now held by United States producers and thus further reduce the outgo of U. S. dollars for non-essentials.

To prevent these restrictions from boosting the civilian output of Canadian factories, a heavy excise tax is imposed on Canadian production. The Government intends to compel a reduction in our standard of living. If the present tax does not achieve that purpose it will undoubtedly be increased.

Exchange Saving

The only estimate given in the budget of the amount of United States exchange which will be saved by these measures is from $5 to $6 millions per month. This estimate is based largely upon the prohibitions and makes no allowance for inroads which British producers may now make at the expense of their American competitors. And all that is allowed for savings under the permit system is from $1 to $2 millions per month. It is plain that the actual savings will exceed the total estimate and may run as high as $90 millions per year.

Assuming this higher figure is reached it seems as if the curb on U. S. imports will account for at best not more than one quarter the present gap in Canada's foreign exchange position.

With accelerating war purchases it is almost certain that this gap must continue to widen.

If so, what next?

First step, of course, will be to put pressure on items now placed on the restricted list.

These items together involve trade valued at roughly $60-65 millions annually. Biggest item here is, of course, petroleum products. Even if these items cannot be eliminated entirely it is obvious that they form the first immediate chance for further restriction.

If these are insufficient, the next step is direct loans from the United States.

Import License System

Realizing that the need for still further reductions in the imports of non-essentials from the United States would become imperative, the import license system was adopted with respect to a selected list of commodities. The intention here is to reduce these imports as rapidly as Canadian industry can find alternative sources of supply or substitute materials. The licenses were deemed necessary because, in the absence of any control, the first move by Ottawa to investigate these industries with a view to shutting off imports would have created a panic. The industries would have tried to build up reserves of imported materials.

As it now stands, these imports can be held constant while investigation proceeds. In every case, the Government believes that these licensed imports can be eliminated and quickly. In the petroleum item the intention is to restrict imports to crude as fast as Canadian refiners are able to carry the load.

What Comes Next?

The budget also answers the question as to how the Government will proceed when further savings in U. S. exchange become imperative. The 25% tax will discourage consumption of a wide range of manufactured articles. Gradually industry now dependent upon U. S. raw materials or semi-processed materials will be diverted into war production. There will be a steady reduction in the amount of consumers' goods available in Canada. The Canadian people will be asked, progressively, to tighten their belts, to do without, in order that war production may increase and purchases of war essentials from the United States may continue to expand.

There is no intention, at the moment, of dipping into Canada's reserves of gold or of liquidating United States securities held by Canadians. Nor is there any intention of seeking war loans in New York. There is a pretty fair idea that Canada can have loans when the time

(Continued on page 2, col. 1)

Candn. Cottons Business Off

But Ahead in Eight Months — Increased U. K. Competition

From Our Own Correspondent

MONTREAL.—With eight months of its current fiscal year elapsed, sales and earnings of Canadian Cottons Ltd. are well up over the same period last year.

In recent months, however, sales have been declining and are substantially below the level established in the first few months of war. In this period activity took a sharp rise, resulting in a marked betterment in earnings in the year ended March 31, 1940. Net profit for the 12 months' period totalled $585,832, against $116,543 in the preceding fiscal year. Net for 1939-40 was the highest since 1920.

Prospects Less Bright

There are four months remaining of the fiscal year ending March 31 1941. It is held almost certain that sales in these months will be well below the same period last year, when the company was feeling the effects of a sharp upsurge in general buying.

Removal of duties on cotton goods imported from the United Kingdom is regarded as likely to sharpen competition. It is understood that the capacity for producing cottons in Britain has not been impaired by bombing. The British are logically expected to take advantage of this concession by concentrating on increasing exports to Canada. Imports from the U. K. have been maintained since the outbreak of war.

War Stimulates Buying

Prior to the outbreak of war business of Canadian Cottons Ltd. was depressed. Plant was operated at considerably less than capacity, and in the year ended March 31, 1939, the company reported a net loss from operations, exclusive of income from investments, of $1,107.

With the outbreak of war buyers hastened to build up inventories, causing a substantially heightened demand for cotton piece goods, denims, suitings, etc. This demand was almost entirely responsible for the sharp upturn in activity, as sales directly connected with the war effort have been a very small percentage of total business. Demand has now been met and sales in recent months have shown a falling off. Removal of customs duties on British cottons, it is felt, will make this trend more pronounced.

Dosco Pig Iron Output Rises

From Our Own Correspondent

MONTREAL. — Production of pig iron at Dominion Steel and Coal Corp., Sydney plant, totalled 35,000 long tons in October. This is the second largest month of the current year, 37,000 tons being produced in May. In October, 1939, production totalled 24,000 tons.

Total output for the 10 months to October 31 amounted to 327,000 tons, against 203,000 tons in the corresponding period of 1939.

Output for the whole of 1939 of 259,000 tons will be exceeded by a substantial margin this year, and it is expected production will set a new high record.

NEW HOTEL FOR OTTAWA

The new major hotel now being built in Canada's capital city by the Ford Hotel Co. of Ottawa will look like this on completion. The name of Lord Elgin Hotel has been selected for the structure, estimated to cost $1.3 million, after consideration of a number of suggestions by the Ottawa Civic Industrial and Publicity Committee in consultation with the sponsoring company. It is the first of the Ford chain of hotels in Toronto, Montreal, Rochester, Buffalo and Erie, Pa., not to carry the name "Ford." The design and construction plans for the hotel have been adapted to conform with the central Ottawa beautification scheme and the architecture of Government buildings in the area.

Holt, Renfrew Sales Improve

Results for Year Expected to Be Better Than in 1939

From Our Own Correspondent

MONTREAL. — Sales volume of Holt, Renfrew & Co. is well up this year from the same period last year, The Financial Post is advised. Subject to unforeseen circumstances, results for the year ending Jan. 31 will be more satisfactory than last year.

In the year ended Jan. 31, 1940, net profit amounted to $63,679, equal to earnings of $6.37 on the 7% preferred shares. In the 1939 year the company had experienced a loss equal to 35 cents a preferred share as against $4.37 earned the year before that.

The company operates retail stores, with the main unit at Montreal and branches in Toronto, Quebec and Winnipeg. Prohibition of imports of finished clothing and wearing apparel, jewellery, furs, ornaments, etc., will affect the company. It imports much of this type of merchandise from the United States.

The company has not paid preferred dividends since Jan. 1, 1933, and arrears on the $100 par value stock at the end of the current year will be $56 a share.

Torpedo Boat Plant Set Up in Canada

By STAFF WRITER

OTTAWA.—To meet the increasing expansion and diversity of Canada's naval shipbuilding programme, a Canadian plant for production of fast motor torpedo boats and similar craft has been established by Hubert Scott-Payne, noted British powerboat designer, builder and racer.

The project has hitherto been veiled by official silence to permit plans to crystallize and the initial production operations to get under way.

The Financial Post is now able to report on official authority, however, that the new Canadian plant is now nearing completion at a waterfront location in Quebec Province. Advance production work has already started on Canadian Government orders totalling over $3 millions. Some of the plant units are ready for boat building operations, and other units are well under way.

The erection and operation of the plant, representing a capital outlay said to be well in excess of half a million dollars, is being financed entirely by Mr. Scott-Payne and an English associate. There is no intention to undertake any public financing, The Post is informed. A new firm, the Canadian Power Boat Co., has been formed to handle the enterprise.

Mr. Scott-Payne, who heads the British Power Boat Co. in England, is president of the Canadian concern. Associated with him as general manager is Leo Palmer, formerly of Canadian Vickers Ltd., with B. J. Ralphs, formerly of British Power Boat, as secretary-treasurer. Mr. Palmer has a close knowledge of Canadian boat building operations.

Main feature of the programme allotted to the new company by the Department of Munitions & Supply, for both the Canadian Navy and the R.C.A.F., is an order for 12 motor torpedo boats.

These will be of the same type as those which have been and are being built by the parent British company for the British Admiralty, and the 23 being produced by the Elco boat works at Bayonne, N.J., for the U.S. Navy. The U.S. craft are being built to Scott-Payne designs and Mr. Scott-Payne is collaborating closely in production of the boats by Elco, a subsidiary of Electric Boat Co.

Total cost of the Canadian-built torpedo boats, each 70 feet long, will be $2,280,000 or $190,000 per boat. Included in these figures, however, will be the cost of powerful Packard

(Continued on page 10, col. 4)

The War And Business . . *A Weekly Round-up*

U. S. Looks at Canada

The United States Defense Advisory Commission is making a study of Canada's war effort, no doubt looking for lessons as to what to do and what not to do in organizing a nation for war.

A Canadian economist, A. F. Wynne Plumptre, University of Toronto, is preparing reports for the Americans. His activities have, of course, the full approval and cooperation of Canadian authorities.

* * *

War Depreciation

The War Contracts Depreciation Board is getting through a good many cases, but it is likely that after the turn of the year, and before corporation income tax returns have to be filed, that the board will be more than swamped with work.

A general pattern of precedent seems to be emerging in the board's decisions. In general it may be said that the board

. . . studies the terms of the contract carefully for directions as to the most just course;

. . . recognizes that one of the problems many firms are up against is to keep liquid and that rapid acceleration of depreciation in certain cases will speed a firm's production;

. . . frowns on efforts to write down special investments in a single year;

. . . gives firms the option of a two-years or three-years special depreciation write-off but warns them that this may be a long war; and that the longer term may work out better for them in the long run.

* * *

Ottawa Hardens

Ottawa reports that the new budget went through the Cabinet last Thursday, virtually without discussion.

This suggests that the Government is beginning to face war facts a little more realistically. "They're getting tougher," was one inner comment.

A few weeks ago there would have been several Ministers to rise and say that such restrictions were "politically impossible."

* * *

Tank Job Bogged

Something has happened to the $225 millions tank programme. It was to use Canadian plants for production of 3,000 medium cruiser tanks for Britain and Canada. The "go" signal was given several weeks ago and after The Financial Post had announced that fact the Government issued a statement in confirmation. Now the development seems to have been held up.

Apparent reason is that the American production of similar tanks is going to exceed expectations, which has caused the British to be less enthusiastic about producing them in Canada. Canada was to have made 5 a day, 3 for Britain and 2 for ourselves. Without the British order for 3 a day the production might not be economical here. Unless Britain restores the order the programme may have to be abandoned, and in any event would be whittled down.

* * *

Life in Wartime

This week's budget was unique in history. It was the first ever introduced in Canada for the sole purpose of conserving exchange.

The Canadian public has taken the new restrictions in good grace, thus proving how foolish were some of the fears of officials at Ottawa concerning the willingness of the Canadian people to make sacrifices for war winning. Canadians have just been waiting for leadership. They got some this week, and in highly dramatic form. Judging by universal expressions of opinion the chance to do something was welcomed.

With this budget we are beginning to get a rough blueprint of life under war conditions. The more detailed drawings will come later. Step by step the pattern of life in Canada will take a new form.

The Minister of Finance estimated that the cut-off of many American imports might save us $6 millions a month of U. S. dollars—hard currency sorely needed to pay for our increasing imports of steel, machinery and airplanes from the United States. Other authorities see a net gain of $90 millions yearly. But since we are running behind about $25 millions a month on American dollars it is plain that further means to balance the account will have to be found. Two obvious ones suggest themselves: Taking over Canadian holdings of U. S. securities, and borrowing in the United States.

* * *

Ottawa's financial experts have been cold to borrowing from the U. S. They preferred that Canadians should first try doing it the hard way, the way of sacrifice, the way suggested this week of doing without imported luxuries, gadgets and non-essentials.

Now that that step has been taken, the choice of the next step—to be taken if and when necessary—remains to be decided.

Some weeks ago this column ventured the opinion that Ottawa would rather borrow in the United States than dump Canadian holdings of U. S. dollar securities on depressed markets. There is no reason to change that forecast.

Ottawa financial authorities are expert at keeping mum; too expert in fact for the achievement of the largest possible public understanding of their successive moves. They have no intention of showing their hand. But this column reiterates its previous forecast that, unless something drastic happens to change Ottawa opinion (such as refusal of the United States to rescind the Neutrality Act ban on Canadian loans) Canada will borrow in the United States before it "vests" the private investor's American securities in the Bank of Canada.

* * *

Clues to 1941?

Some folks are looking back at an address by H. R. MacMillan in Ottawa on Nov. 2. Since then Mr. MacMillan has been named chairman of the Wartime Resources Board, the Government's super-planning and priority board in supply. They think they see in it some clues as to coming changes in Canada's economy under war conditions.

Mr. MacMillan made these points among others:

The war will be long. It will take us years to win.

The entire economy will have to be oriented to the war effort. That means productive capacity has to be concentrated on war essentials. Pre-existing commercial instincts are no safe guide.

There must be transfer of labor and materials from ordinary industries to war industries. Key workers will be drafted for war industry. There will be increasing interference with "private" business.

There is plenty of authority at Ottawa but few men willing to use it There must be more and more able business executives on the job at Ottawa, men who will cut through red tape and get things done.

Canada should get back on a timber economy. We are using too much imported steel where we could be using the products of our forests.

* * *

U. S. Attitude

The Whaley-Eaton Service of Washington hints that the present White House policy of playing a role of apparent indifference to British pleas is simply Roosevelt "technique." Everybody expected him to "shoot the works" in support of Britain as soon as the election was over. It was good strategy for him to let American opinion jell for a while.

* * *

Engine Shortage

United States plane output is now stated to be 1,000 per month. But deliveries do not match that figure because of the lag in engine production. It takes an average of 2.5 engines per plane, in addition to which spares and replacements must be provided, making the total 2.7. Engine output is 2,400 a month, which is just 300 below requirements.

Journal of Commerce, New York, says there are many Lockheed-Hudsons, ordered by Britain, that are held up for engines, while Bell P-39 pursuit Airacobras are also ready except for engines.

There are a dozen air engine plants in the United States but only three—Pratt & Whitney, Wright and Allison (General Motors) turn out a high-powered (1,000 h.p. or over) engine suitable for combat planes.

Pratt & Whitney and Wright are producing about 1,400 engines a month of the right size. Their engines are radial, air-cooled models. Allison is in production on their new in-line liquid-cooled motor which is the engine necessary for the late model pursuit planes of the Airacobra type. Allison has been in production four months after five years of careful experiment and tooling-up. Its output touched 286 engines in October and the company hopes to reach 1,000 a month by December, 1941.

There are two more plants on the way, Continental and Lycoming, but airframe production will keep ahead of engine production for many months yet.

Dunlop Gain Up Sharply This Year

Final Net Profit Will Depend on Tax Payments — Outlook is Favorable

Gross profits of Dunlop Tire & Rubber Co. for 1940 are going to be considerably higher than in 1939, The Financial Post learns from official sources. What the final net profit will be, however, is another question because of the substantial changed tax situation this year.

The company has declared a dividend on its common stock of 50 cents a share, payable Dec. 27, 1940 to shareholders of record Dec. 16. The regular dividends on the preference are also being paid.

The common dividend will mark the second payment by the company, a similar amount having been disbursed a year ago. The common stock is all held by Dunlop Rubber Company Limited, of Great Britain, and Canadian Industries Limited.

Dunlop has been making a good comeback over the past three years, following a period of heavy losses. Net profits have risen from a loss of $108,506 in 1936 to a profit of $35,456 in 1937 and $223,992 last year. The result is that the company's "standard profit" under the excess profits tax would be only about $114,000, or around half of last year's actual net after taxes.

An appeal to the Board of Referees will likely be made by Dunlop. If Dunlop were allowed even a 5% return on its invested capital, based on balance sheet figures for 1939, its excess profits tax payments would be more reasonable. Unless something like this is done, however, it will be difficult for the company to even reach last year's net profit figure in spite of the substantially improved scale of operations.

Outlook for continued good scale

(Continued on page 2, col. 6)

Registration Finds Labor

National Survey to Reveal Readily Available Skilled Help

By STAFF WRITER

OTTAWA.—There are 700 people busy sorting the national registration cards of 1,750,000 men and women considered eligible for work in Canada's war effort.

Apart from the general statistics on registration announced a few days ago, the sorting and classification of these cards will not produce for some time yet any statistical information on Canada's labor supply.

Instead of big figures which sound imposing but don't really mean very much, the aim is to find names, places, experience.

Show Available Supply

It may be many a month before Canada knows the number of machinists thrown up by national registration. What will be available almost immediately is the name, address and past experience of the dozen or more machinists or carpenters, or toolmakers who registered from Long Branch, Ont., Selkirk, Man., or within striking distance of the big industrial centres where war work is being carried on.

If carpenters are needed 100 miles from Montreal, the contractor or employment officer is not interested in the fact that there may be 100,000 persons who registered as carpenters throughout Canada. What is wanted, however, are names and addresses of the potential workers registered in that area—men who may be working in a flour mill, in undertaking establishments or in janitor service, but who have told the Government they have knowledge of carpentry and who would be available to help him with his job.

Thus the present technique is individuals first, statistics second.

Individual Areas

The figures on Canada's potential industrial man-power and woman-power are being broken down according to skill in individual areas, that is cities and districts. The starting point is a special list of preferred occupations. These are the ones that are being sorted out first.

The groups being studied will, it is estimated, comprise about 1,750,000 people. This in itself is only a rough guess. It is based largely on calculation from the last census returns. Roughly, a 15% increase in the last census return (1931) would show about the number of machinists, carpenters, toolmakers, etc., in Canada. This gives an approximate idea of how many people available for industrial war work will be uncovered by the study when it is completed.

Some 3,000 occupations have already been counted.

S. American U. S. Loans Aid Trade

Triangular Plan Including Canada Believed Feasible To Boost Business

H. L. Southall is managing editor of the trade newspapers division of The MacLean Publishing Company. He has made a survey of the economic and war fronts in the United States for these sister publications of The Financial Post. In this article he deals with the financial help Washington has been providing to stimulate trade with a continent in which Canadians are vitally interested, South America.

By H. L. SOUTHALL

Special to The Financial Post

WASHINGTON.—South American countries, accustomed to large surpluses of agricultural products have been easy "prey" for the Nazi barter plant. Hence there has been a definite Nazi economic infiltration into the Latin American countries. It is to halt that trend and to strengthen the industrial position of those countries that the Export-Import Bank of the United States has been functioning. Its work has been greatly extended recently by the extension by $700 millions of its lending authority by the U. S. Congress.

Broad Loans

Loans have been extended on a broad scale to South American countries by the bank. In the case of Brazil, all commitments have been guaranteed by the Bank of Brazil, which, established as far back as 1808, has not had a single default. This and other important points were brought out in an address to editors of the National Conference of Business Paper Editors by Warren Pierson, president of the bank since February, 1936. Mr. Pierson recently completed an extensive tour of Latin America. A banker

(Continued on page 2, col. 7)

Dom. Woollens Volume Jumps

11 Months Earnings Before Taxes Well Ahead of 1939

A substantially higher volume of business has been shown by Dominion Woollens & Worsteds, Ltd., in the first 11 months of this year, compared with the same period of 1939, The Financial Post is advised officially. It is too early to say, whether the net profit of $113,935 reported in 1939 will be improved upon, in view of the confusing tax situation. Earnings before taxes, however, will be well ahead.

Volume of war orders from the Department of Munitions and Supply for the armed services have so taxed the company's plants that it has not been possible to take all the civilian business offering. Plants at Hespeler, Peterborough and Orillia, Ont., have been at capacity.

Inaugurate Dividends

Indicative of the company's substantially improved position was the announcement this week of an initial interim dividend of 60 cents or 3% on the 6% non-cumulative $20 par value preferred stock. The payment will be made Jan. 2, to shareholders of record Dec. 14.

The company's primary product is worsted and woollen cloth, used in the manufacture of uniforms. Also produced are worsted and woollen yarns, used in the making of socks and gloves.

Not Affected by Budget

First study of the new Ottawa budget indicates the company will not be affected to any degree one way or the other. The new embargo on the import of clothing from the United States eliminates some competition. Offsetting this, however, is free duty on Empire gloves.

In connection with the tax situation, The Post finds the company will have a difficult problem with which to cope. Under the "excess" profits tax, 75% of the earnings in excess of the average for the four years ended in 1939 go to the Government. The figure is brought up to 84½% by including ordinary corporation and provincial corporation taxes.

Taxes Hit Hard

Dominion Woollens, it is found, went through a "depressed" period during the base years. Only in one of the four —1939—did it have a substantial taxable income, so average is made by taking one fourth of the 1936-39 profits of about $160,000 before taxes. The base figure on this basis is about $40,000—and according to the Ottawa ruling currently in effect, 84½% of all earnings above that would go to the Government.

An appeal no doubt will be made to the referee board for special consideration as a "depressed" business.

Make Sure You See —

How Investments Need Supervision
Experts Stress Importance—p. 11.

Snag In Our Air Training Plan
Training Plane Shortage—p. 11.

How Mines Perpetuate Themselves
Mine Firms Live Longer—p. 19.

Expansion in the Textile Industry
War Adds Textile Jobs—p. 20.

at EATON'S

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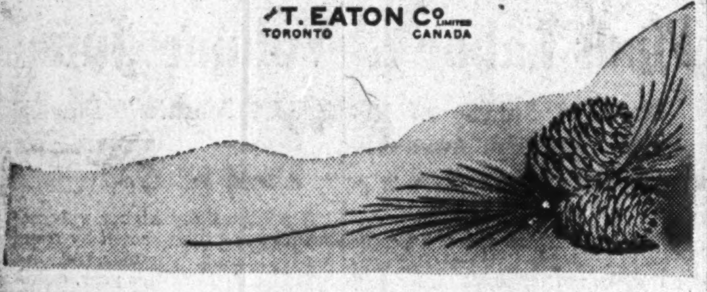

The Nation's Business

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adjustments which attended the last war.

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Finally, a nation-wide co-ordinated effort is being planned to use and extend technical school "plant" and other facilities in order to train an adequate supply of workers for wartime industry.

A survey made recently by the National Labor Supply Council shows that, apart from a few key employers, the amount of training being offered by industry throughout Canada is disappointing.

Decisive steps to correct this situation are being taken with the possibility that, in future, war contracts will contain, if necessary, statutory provision for the training of a required number of workers by the industry itself.

* * *

The plans now being formulated are highly encouraging.

They indicate that at last Canada is moving along decisive lines in the formation of wartime labor policies.

If as much progress is made in the next two months as has been made in recent weeks, there is real hope that Canada will be able to meet and meet effectively the imperious need for trained workers which looms ahead for 1941.

* * *

People Can Help Avoid Inflation

At the annual meeting of the Bank of Montreal, Huntly R. Drummond indicated that every Canadian by saving and devoting the results of his saving to the war effort could help to avoid inflation. He said in part:

"While at the present time from the business standpoint Canada is on the crest of a wave, with employment higher than in any previous period and industrial output on a rising crescendo, we must not forget that there will be an aftermath . . . Economy in private and public expenditure should be practised to the utmost and projects not relating to the war effort should be postponed to a time when they will not interfere with that effort and when the employment they afford will be needed . . . We need prudence in governmental expenditure, prudence in business administration and prudence in our individual commitments. We need a determined and united front to limit the inflation of costs of material, wages and the cost of living . . ."

Obviously he had in mind the unfavorable results that would be had from uncontrolled competition of private demand with the Government for goods and services needed for the war effort.

In somewhat the same vein George W. Spinney, joint general manager, explained that financing of the war by persistent use of bank loans would lead directly to inflation. Accordingly the Government's purpose in making issues of securities to the public is to obtain command of real savings. To finance the war by bank credit rather than to use the savings of the people would be equivalent in its results to issuing money through the printing press.

Most adult people remember the high prices and costs in the last war and the calamitous results of adjustment to a peacetime economy. If this can be avoided at the end of the present war it will prevent much misery and ruin.

Showdown Coming Soon On Cost of Living Bonus

By STAFF WRITER

OTTAWA. — Representatives of labor and industry and members of the National Labor Supply Council came to grips last week with the proposed cost-of-living wage bonus plan presently favored as the best solution for Canada's wartime wage problem.

The cost-of-living bonus plan as a solution to wartime wage problems was proposed and sponsored many months ago by the Government's No. 1 economic adviser, Dr. W. A. Mackintosh. The scheme is already in force in the entire coal mining area of Alberta and British Columbia. It stabilizes wages for the duration of the war and one year thereafter at levels prevailing when war broke out. Against this, the worker is guaranteed a flat percentage increase in wages dependent on increases in the cost of living. This wage bonus is the same for all workers, no matter what their scale of pay.

Despite objections from some groups of organized labor and some hesitancy on the part of management, it is believed here that some such scheme, probably using the 1929 wage rate as the "ceiling," is being urged in the Government by the interdepartmental committee on labor problems, headed by Dr. Bryce M. Stewart, Deputy Minister of Labor.

By and large, it is felt that if wage rates can be levelled off at around present figures—then a cost-of-living bonus on top of these rates would be reasonable.

Organized labor, though anxious to co-operate, is not as yet prepared to see wages "sealed" at present levels. It is felt that heretofore labor's willingness to do its part in the war effort has not met with corresponding co-operation on the part of the Government. Safeguards, which in England have been given freely and without question, have been heretofore withheld or given only grudgingly. Labor leaders are not taking too readily to this new suggestion for a wage bonus plan.

That Canada's interdepartmental committee on labor will recommend the adoption of the cost-of-living wage bonus throughout war industries seems almost certain.

Although this committee has no power to act, its recommendations so far have met with quick response on the part of the Government.

Employer Key in New Drive War Savings

Hope For $10 Millions Monthly — Will Check Interfering Spending

Launching of the new national "employer-employee" drive for war savings certificates confronts employers with new problems. The aim is 100% co-operation and $10 millions a month in savings.

The need is not difficult to see. The bills must be paid for maintaining the Canadian troops now helping defend Britain—for the new ships which are needed to patrol the sea-lanes of the North Atlantic—for the Empire Air Training Scheme. And officials cite another reason for savings. Money turned into war savings will be diverted largely from making demands on productive capacity needed for direct war production and from an inflationary spending spree. Also, the nest egg so built up protects employees from upsetting post-war readjustments. War savings now will provide a vast backlog of purchasing power for ordinary commodities to be unloosed at the time most needed, when factories are being changed over from wartime to peacetime production.

A Call to Employers

How can the employer help? This week the National War Savings Committee explains a simple system by which every employer with 15 employees or more in effect becomes a member of the National War Savings Committee.

There are about 20,000 to 25,000 such employers in the Dominion, it is estimated. But only a third already have launched schemes whereby most or all employees voluntarily accept a weekly or monthly reduction from their wages to be used regularly for the purchase of certificates. The present plan for stepping-up receipts from about $2.5 millions to $10 millions monthly requires that every employer volunteer for service.

Must Develop a Habit

It is explained that the more difficult part of the campaign is over once employees all have been canvassed by the employer personally or through a circular letter. The habit of saving through certificates, it is added, is something that will grow if once started. If a man earning $25 a week agrees to a deduction every month to pay for two certificates, it is much more successful than leaving it to the same man to remember twice a month to go to a post office or bank to make his purchase. There is also an important saving in administration costs as sales are of a regular wholesale nature.

Foreign Exchange

During the week Nov. 26 to Dec. 2 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Dec. 2

Australia	3.58	N. Zealand	3.61
India	.3369	S. Africa	4.47
Japan	.2608	Hong Kong	.2617

Investors' Index

Dec. 7, 1940

Abitibi	13	Hamilton Cot.	4, 20
Algoma Steel	5	Hart Battery	20
Amer. Cyanimid	5	Holt Renfrew	1
Ang.-Can. Drug	16	Honey Dew	8
Beauharnois	13	Loblaw Groc.	9
Brown Corp.	13	McColl-Front.	9
Can. Nor. Power	9	Mercury Mills	4
Can. Brew.	4, 5, 20	Montreal C'tons	20
Can. Celanese	4, 20	Mtl. L. H. & P.	9
Cdn. Col. Air.	8	Moore Corp.	4
Can. Cottons	20	National Light	5
C. P. R.	1, 10	Ogilvie Flour	9
Can. Vickers	4	Power Corp.	9
Cons. Sand & G.	20	Price Bros.	13
Cosmos-Imperial	20	Ramsden Park	5
Crown Zeller.	13	Riverside Silk	9
Dom. Bridge	10	[illegible]	
Dom. Gas & El.	5	Saguenay Power	4
Dosco	1, 9	Shawinigan	9
Dom. Textile	20	South. Can. Pr.	4, 5
Dom. Wo'lens	1, 20	Steel of Canada	9
Dryden Paper	5	Trinity Bldg.	5, 9
Dunlop Tire	1	Tuckett Cigar	4
Easy Washing	4	United Steel	5
Fleet Aircraft	7, 9	Viau Ltd.	5
Gen. Stl. Wares	4	Wabasso Cotton	20
Grt. Lakes Pap.	13	Winnipeg Elec.	5

MINES AND OILS

Argus Interests	19	Naybob	19
Arntfield	19	Negus Mines	19
Central Pat.	18	North. Canada	19
Cons. Smelters	19	O'Brien	19
Duquesne	19	Pascalis	18
East Malartic	19	Reeves MacD.	18
Foundation Pete.	18	Sand River	19
God's Lake	19	Slave Lake	19
Gold Eagle	19	Stadacona	19
Jason Mines	19	Sullivan	18
Jasper Porc.	19	Unity Porc.	19
Kerr-Addison	19	Vicour	19
McKenzie R. L.	18	Yama	19
McMarmac	18		

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Dunlop Gain Up Sharply

(Continued from page 1)

of operations are said to be quite favorable, at least for the early months of 1941.

Inventory Position

Dunlop's inventory position at the end of 1940 will not be abnormal, it is understood, although probably a little larger than a year ago. This will minimize any profit adjustments because of fluctuations in price of such important materials as raw rubber. Actually raw rubber, based on New York prices, has held around the 20 cent level for most of this year, approximately where it ended 1939. Recently there has been a tendency to rise a cent or two and in May and June quotations shot up to about 25 cents a pound temporarily. The excess profits tax has a provision whereby a company can set up reserves against inventory which would bring values back to levels prevailing at the end of 1939.

Industrial Sales Up

All branches of the business have participated in the improved showing this year. Government business, as shown in contracts released by the Department of Munitions and Supply and from known figures for Canadian output of trucks and tractors for the army, will probably have contributed heavily to volume of business done.

Quickened pace of general industry in Canada has meant that the many rubber products going into industrial use have been in greater demand. Hose, belting, mattings and other items are made by Dunlop. In addition to this Dunlop has a complete line of sporting goods and has its own specialty, "Dunlopillo" cushioning.

"and now for the BANKING angle"

In planning new business, you may have to consider the banking angle. We are ready always to consider banking assistance to worthy new enterprises.

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ESTABLISHED 1817
MODERN, EXPERIENCED BANKING SERVICE
. . . the Outcome of 122 Years' Successful Operation . . .
A108

U.S. Loans Aid South America

(Continued from page 1)

in a soft collar created a democratic impression in those countries.

The urgency behind the Nazi effort to penetrate into the trade of South America was said to have resulted from Hitler's declaration "we must export or perish." Short of gold, it was necessary for Germany to adopt the barter system and it was reported to have made much headway.

The Export-Import Bank of the U. S. was created in 1934 and has attempted to thwart the growth of unorthodox trading practices in Latin America. When U. S. Congress increased its lending authority it became one of the important lending institutions in the U. S.

Only a Ripple

"Every transaction to date in South American countries has been serviced according to the terms," said Mr. Pierson, "though so far this has represented only a ripple on the sea of trade. There is a real desire in South America to study our ways. Some U. S. businessmen assert we are doing too much for our neighbors, others think we should do more. Our motive is to help ourselves by helping our sister republics build up a strong economic position, independent of Nazi influence. The money loaned will not only engender goodwill toward the U. S., but will create a market for our products which will be useful after the armament race is over.

"South America has been in the habit of producing a limited number of commodities and selling to a limited number of countries. The war has been a blessing in disguise to them because it has brought further diversification of products and a lessened dependence on European countries for trade.

Creating Stable Market

"We have helped Brazil to establish a steel industry, helped her merchant marine and helped her improve railroads. We are helping South American countries build a stable economy and they will become a bigger market for a wider variety of our goods. We are helping them to guard against economic invasion from continental European countries."

Answering questions from editors present, Mr. Pierson stated that the Johnson Act has no relation to loans to South American countries. He stated there was no reason a triangular arrangement could not be worked out between Canada, South America and the Export-Import Bank for clearing credits involving commerce of a nature which was designed to replace trade of Germany in South America, but admitted nothing had yet been done along that line.

A 25-cent purchase was said to mean much more to South American countries than a loan of $1. Britain was said to have bought less than half as much from South America in the past year as before, because it was diverting as much trade in meat, wool, etc., to its own Dominions within the sterling area.

An example of the possibilities of increasing trade between the countries was reported to be Chilean wines, which were said to be of high quality and very popular in the few sections of the U. S. in which they had been introduced. A much wider market could be secured for such products if properly organized and adequate distribution provided.

Inter-American Highway

Many of the loans were being made for such things as development of an inter-American highway which could be made self-liquidating through establishment of a gasoline tax.

"This assistance should be provided through the central banks in South America," said Mr. Pierson. "We would like to confine our relations to the central banks which in most cases have a splendid record."

Tariff And Tax Changes Affect Wide Industry

Budget Pointing To Further Curbs

(Continued from page 1)

comes, but Washington apparently desires Canada to pay her own way as long as possible.

Far Reaching

Thus, while the actual changes contained in the budget may seem less important than the occasion called for, the potential effect upon Canada's economy is far reaching. The provision enabling the Government to enter into an agreement with an individual or company for the purpose of developing new or expanded export trade is without precedent. The purpose is to assist individuals or companies to capture markets in the United States by giving them assistance by way of tax postponements or reductions. Thus a company would be enabled to whittle down its price to gain a contract, or a marginal gold mine might be assisted to the extent that it would be profitable to operate—the gold going to the Government for spending in the U. S.

Oil Refining

Imports of crude petroleum, refined gasoline and other products and lubricating oils from non-Empire countries is to be subject to permit under the new regulations announced at Ottawa this week. Machinery for setting up the permit system is being prepared and should be working shortly.

This is regarded as the working out of the general oil control policy outlined in The Financial Post a few weeks ago. So far as possible petroleum will be imported in the crude form and refined in Canada. By this means the processing costs are added in this country and there is a corresponding lessening of the drain on U. S. dollars.

No Curbs On Use

There is no indication that civilian consumption of gasoline or oil is going to be restricted. This statement, of course, must be made keeping in mind that the necessities of war could make many things possible but it is at least the present situation.

Eventually, it is probable that import of refined products may be cut off entirely but first authorities want to be certain as to available refining capacity in Canada. Lubricating oil needs, for example, could not be supplied by present refining capacity for this product. Expansion is now under way and need for imported lubricating oils will be less in the future. In past years, Canada has imported about half of its lubricating oil needs.

Not Unexpected

Enquiry among the industry indicates that the latest action was not entirely unexpected. For example, companies had been looking around to see what they could do to replace imported supplies if conditions developed where it might be necessary to take drastic steps. Their conclusion was that there just was no real solution except to cut out import of refined products.

Oil companies point to the important position of gasoline taxes and motor licenses in the revenue pictures of the provinces. They also remember the importance of our tourist industry. From this they conclude that actual restriction on so-called luxury use of petroleum products is likely to be small for the present at least.

Oil From South America

Other deals which may help to ease the need for U. S. dollars in buying oil are the movement of oil from International Petroleum's fields in Colombia, or perhaps Venezuela, to Imperial Oil's Sarnia refinery and increased use of International Petroleum's Peruvian oil in British Columbia refineries. Beginning about the first of 1941, 10,000 bbls. daily of crude from Colombia will be moved by a combination of tanker and pipe line to Sarnia.

This move saves exchange to the extent that International Petroleum, being a Canadian company, brings its profits back to Canada and sells its U. S. dollars to the Foreign Exchange Control Board. Normally International Petroleum sells all its oil in U. S. dollars but there is a hint that sterling may be used for some of these sales to Canada as Colombia and Peru are said to be short of sterling of which Canada has ample supplies.

Budget Changes

Following the precedent of a year ago when substantial tax and tariff changes were introduced just after the outbreak of the war, instead of being delayed until the regular annual budget was brought down, a second semi-annual revision was introduced in Parliament this week by Finance Minister Hon. J. L. Ilsley.

Chief changes are as follows:

IMPORTS PROHIBITED (Except from Sterling Countries)

- Prepared cereals
- Flowers
- Processed fruits and vegetables excepting currants, raisins, dates, apricots and grapefruit juice
- Preserved fish
- Manufactured tobacco
- Spirits and wines
- Certain fiction magazines and comics
- Consumers' paper items
- Perfumes
- China and silverware
- Electrical household appliances
- Bathroom fixtures
- Automobiles
- Sporting goods
- Cameras
- Furniture
- Radios
- Phonographs
- Musical instruments
- Luggage
- Finished clothing, silks
- Jewellery and ornaments
- Toys, etc.

IMPORTATION BY PERMIT (To be gradually restricted)

- Unmanufactured tobacco
- Trucks, buses and auto chassis.
- Hardwoods, veneers and plywood
- Raw silks and some partially manufactured forms of natural silk
- Petroleum products

TAX INCREASES

Base rate of auto excise tax raised from 10% to 20% on first $700 of factory value.

New excise tax of 25% on factory prices of:

- Radios and tubes
- Phonographs
- Cameras
- Slot machines
- Electric and gas stoves
- Refrigerators
- Water heaters
- Light fixtures
- Washing machines
- Vacuum cleaners
- Toasters and grills
- Irons and ironers
- Coffee makers
- Curlers
- Razors, etc.

TARIFFS REMOVED ON U. K.

- Cottons
- Artificial silk
- Bituminous coal
- Jellies and jams
- Furniture
- Gloves.

TARIFF REDUCED ON U. K.

- Medicinal supplies
- Soap
- Tiles
- Stone and earthenware
- Table cutlery
- Bicycles
- Generators
- Transformers and motors
- Rugs and carpets
- Oilcloth and linoleum.

Effect of the various changes on Canadian industries is summarized here with additional special coverage as follows:

Bonds, p. 5
Business, p. 7
Investments, p. 4
Mining, p. 18
Oil Producing, p. 18
Oil Refining, p. 2

Motor Industry

Reopening of inactive Canadian auto plants, which in the past supplied Canadian and export markets with makes imported direct from U. S. plants in recent years, may result from the new war embargo on American-made passenger cars.

As far as could be learned following imposition of the ban this week, such a step appears the only alternative to suspension in Canada of new passenger car sales of the makes affected.

Distributors and dealers of the imported lines are said in most cases to have stocks sufficient to last for two or three months. But after that they see no way of obtaining further stocks unless Canadian production or assembly plants are operated.

Under the Act prohibiting car and other imports, the Minister is given discretionary power to allow some import of embargoed articles and to regulate imports by permit. But auto circles do not see even a remote prospect for modification of the ban on passenger car imports.

Among the leading makes of imported cars are Hudson, Studebaker, Packard, Nash and Willys. The higher priced lines of Canadian car manufacturers, such as Ford's Zephyr, General Motors' Cadillac, and the top Chrysler models, have also been imported.

Consider Plants in Canada

Hudson, Studebaker and Packard have all been produced or assembled at some time in the past in Canadian plants in the Windsor area, but the plants were closed down as a result of lowered Canadian tariffs and shrinkage of both export and Canadian business in depression years.

In imposing the import curbs, a distinction was drawn between the full ban on passenger car imports, and the permit-basis imports of other units, including trucks, buses and chassis for all types of auto vehicles.

However, the intention is to allow imports of the latter group on a diminishing scale and depend as far as possible on domestic producers to meet Canadian needs.

The Finance Minister has made it clear that the import restrictions do not apply to parts and components, important items of which must be imported by the Canadian auto plants.

Higher Domestic Tax

Canadian-made passenger cars are also affected by the new war measures, which have stepped up the sliding scale of war excise taxes levied in June. The heaviest impact of the increase is on the lowest priced cars, on which the previous war excise levy of about $70-$75 is now doubled to above the $140 level. The jump of about $70 is also passed right along the line to all makes of Canadian-produced cars, because of the sliding scale basis of the levy.

Textiles

From Our Own Correspondent

MONTREAL.—Changes in the textile tariff constitute one of the major items in the new war budget. In particular it is of primary interest to cotton manufacturers and artificial silk producers.

Normally the Canadian cotton mills account for about 68% of the domestic market, the balance being divided between the United Kingdom and the United States, with the U. K. in the lead.

The competitive position of the American mills is not seriously affected by the changes. The prohibition as to imports of cotton dresses from the U. S. may be of some advantage to Canadian mills, but at best it is considered a minor item.

Help for U. K.

Removal of the tariff on all U. K. cotton yarns and piece goods is another matter. Obviously any advantage gained in the Canadian market will be largely at expense of Canadian mills, for the reason Canadian mills must pay the special 10% duty on imports of materials from the U. S. as well as the 11% premium on U.S. funds needed to pay for supplies. The Lancashire operators do not face the same charges and thus are in a favorable exchange position in competing for Canadian trade.

In respect to artificial silk, the situation is more favorable to Canadian industry. Gradual elimination of real silk will have a favorable effect on operations. Elimination of the U. S. from the artificial silk market and granting of free entry to British mills, more or less offset each other.

As to artificial silk yarns it is understood that there is a close understanding between mills in this country and those in U. K. so that the present situation is not likely to be unduly disturbed.

Appliances

The new budget may have an adverse effect on the sale of many household appliances such as radios and washing machines.

The 25% excise tax on radios will tend to depress sales. Partially offsetting this may be the embargo on imports of complete radios, chassis and cabinets from the U. S. The budget is not clear on whether parts also will be halted.

Manufacturers of washing machines, refrigerators and other appliances see little shifting of their business. The new 25% excise tax will tend to depress sales, but a favorable feature is the embargo on the import of washers from the U. S. which likely will eliminate certain competition.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

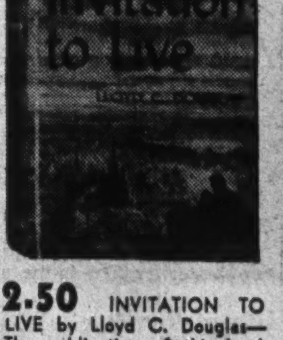
Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Leamington, Ont. (Additional)	Nov.	Harrison & Co.	3½%	1941-56	$358,022	....	....
Dominion—							
Canada Treasury Bills			....	Feb. 28, '41	40,000,000	99.837	.636%

GIFT BOOKS
for every member of the family

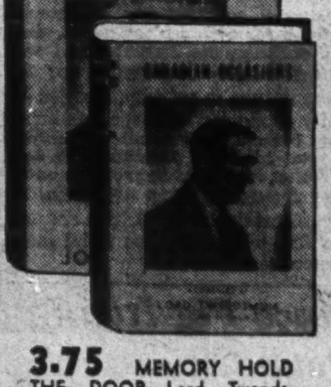
3.25 OLIVER WISWELL by Kenneth Roberts — The writer of "Northwest Passage" tells a story of the American revolution from the less familiar point of view of the United Empire Loyalists. A long novel of stirring adventure.

$4 WINSTON CHURCHILL by Rene Kraus—One of the literary events of the season! This is the first complete and up-to-date biography of the man whose destiny is so closely linked with the course of present-day events.

2.25 LASSIE COME HOME by Eric Knight—A poignantly realistic story of a beautiful prize Collie dog who has to be sold by his owners when hard times befall the family. Everything a dog story should be!



2.50 INVITATION TO LIVE by Lloyd C. Douglas—The publication of this book was an "event" to thousands of readers: first, because it's by Lloyd C. Douglas; second, because the central figure is Dean Harcourt.



3.75 MEMORY HOLD THE DOOR—Lord Tweedsmuir's Autobiography.

1.50 CANADIAN OCCASIONS—Lord Tweedsmuir's speeches.

69c IN THE WOODS NATURE STORIES by Thornton W. Burgess — A set of eight story and picture books about favorite animal characters. In sturdy imitation linen finish.

Simpson's BOOK DEPARTMENT STREET FLOOR

London Calling

by Atticus

Interesting Parallels in the Careers of Lothian and Kennedy — At Key Posts When World Changed — "Pity Those in Authority When War Breaks Out"

MR. KENNEDY

LORD LOTHIAN

LONDON.—There are some interesting parallels in the diplomatic careers of Mr. Joseph Kennedy and Lord Lothian which are emphasized by the fact that each has returned to his native country to report on the war as seen from his particular side of the Atlantic. Both Ambassadors were newcomers to the ambassadorial ranks, their appointments were within a year of each other, and both were men of private means—albeit Mr. Kennedy's fortune was much larger than Lord Lothian's.

In fact, when the then Philip Kerr inherited the marquisate and estates in 1930, he sold his famous library to purchasers in New York for the sum of $71,252. There was a small outcry at the time that the nation was being injured by sending so many valuable books and manuscripts abroad, but the new Lord Lothian merely replied with his accustomed logic: "The nation must choose between the books and the death duties—and it prefers the duties."

In other ways the two Ambassadors have had experiences which make an interesting study at this moment.

* * *

A Changed Picture

When Lord Lothian went to Washington in the spring of 1939 the British cause was at its lowest in the States. The heated, if somewhat illogical, reaction following Munich had been accentuated by the Nazi march into Prague. From one end of America to the other the spirit of Mercutio was in the ascendant. It was a curse on both our houses, although even then Americans indicated that they intended the curse for Germany to be more violent than the one for Britain.

When Lord Lothian arrived he found that a book at a popular price had just been issued which quoted many of his speeches in favor of friendship with Germany. It was a bad beginning for a British Ambassador with the practical certainty of an early war on his hands. But he had not been political secretary to Mr. Lloyd George in his prime without learning something of the art of riding storms.

During the last year his personal popularity has grown enormously in the States. As a former politician he knew how to talk to Congressmen and as a former journalist (he was one of the founders of "The Round Table") he could use the vocabulary of printer's ink with the reporters. In his public utterances he avoided the sonorous clichés of professional diplomacy, and spoke the language of the people.

* * *

Mr. Kennedy's Role

The career of Mr. Kennedy over here has been more spectacular, and the ebb and flow of his popularity more marked. When he arrived in the spring of 1938 with his charming wife and large family he captured the imagination of the British public. When, during his first game of golf on a British course, he did a hole in one, everyone felt that the portents could not be better. From that time everything that he said and did enhanced the affection of those of us who knew him, and the esteem of the whole nation.

Yet diplomats, more than other men, are at the mercy of events. One has only to look at the confused picture of London's Corps Diplomatique today in order to realize the truth of that. When the war was a few weeks old Mr. Kennedy went home to America for a prolonged visit. We were all delighted. To our minds it seemed as if we were sending an extra British Ambassador to explain our cause, and one who had the advantage of American citizenship.

But Mr. Kennedy did not play the role that we had, perhaps rather foolishly, expected. Whatever he said in private, his public utterances were non-partisan. He certainly spoke no good of the Nazis, but he failed to put our case in the flaming language which we had anticipated. In short, he steadfastly remained an American Ambassador instead of becoming a British one. The result was inevitable. When he returned to these shores his popularity had undergone a slump, which must have reminded him of the stock market crash of 1929.

That he was hurt by the changed atmosphere no one can doubt. But, to his eternal credit, he did not become embittered. One M.P. journalist had attacked him with his pen in damaging terms. When Mr. Kennedy met him in the lobby of the House of Commons he put out both his hands and said: "These are difficult times for all of us. Each of us is doing his best in his own way."

* * *

Pity Those in Authority

In September, 1939, Sir Samuel Hoare said to me: "Pity those who are in authority when war breaks out. No minister in a democracy begins a war and dictates the terms of peace." That comment on men and affairs has often occurred to me since. In 13 months of war we have seen a change in most of the principal political offices: while there is also a new Chief of the Imperial General Staff, a new Commander-in-Chief of the Army, a new Air Chief-Marshal, and now we are to have a new Commander-in-Chief for the Home Fleet.

The appointment of Vice-Admiral John C. Tovey to Beatty's old job of Commander-in-Chief of the Home Fleet is a natural and almost inevitable culmination of the feeling in the Navy that the younger men were not being given sufficient responsibility. The new "C-in-C" is in the formidable fifties with five more years to go before he reaches sixty. From the standpoint of age the appointment is not as spectacular as that of the late Lord Beatty, who was given charge of the Grand Fleet at 45, but it will be regarded as an encouragement to the younger officers of the Navy.

Admiral Tovey will hardly emulate Admiral Beatty in projectability upon the public imagination, but those who have served under him realize that behind his quiet voice and expressive gestures there are a first-class brain and an aggressive, if controlled, nature. Much can be said against the decision to attack Narvik, but there can be nothing but praise for the destroyers that so gallantly undertook the heavy task. They had all been under Admiral Tovey when serving with him as Rear-Admiral of Destroyers in the Mediterranean. Like most brilliant sailors the new Commander-in-Chief is not tall, but he is slim, swift in decision, and possesses eyes that can twinkle with humor even in the most serious moments. Perhaps the best tribute to his promotion is its unpopularity with the Italian Fleet.

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See Big Sales Lumber to U.S.

Rising American Prices and Exchange Premium Offset Duty

From Our Own Correspondent

VANCOUVER.—Spiralling lumber prices in the United States have offset the disadvantage of the tariff to such an extent that Canadian lumber will probably enter the American market in considerably greater volume during the next few months.

Factors contributing to this development are:

1. Extensive labor strikes in the sawmill industry of Washington and Oregon, where most of the United States' domestic supply of lumber is produced.
2. Prevailing low prices for lumber in Canada as a result of the effective stabilization plan effected by the Dominion's timber control under H. R. MacMillan.
3. Advices from Britain indicating that orders from that quarter may be sharply reduced next year. The United Kingdom, chief export outlet for British Columbia lumber in recent years, has already curtailed lumber purchases in eastern Canada by one third.

Intense U. S. Activity

Building activity in the United States, especially in connection with defense contracts, has been so intense that there is a good market for practically all the lumber that can be produced, and labor troubles have prevented northwest states carrying their full share of the business.

While United Kingdom and Canadian government requirements have been given preference and will continue to get it, if there is a surplus production the most logical outlet for it will be across the border, where sales were in important volume prior to the series of high tariffs imposed during the early 1930's. These U.S. tariffs were followed in turn by the British Empire agreements which revolutionized British Columbia's lumber export trade and gave it a dominating position in overseas markets over competing areas in the northwest states.

Tariff Offset

Until now the $2 per thousand feet tariff was sufficient to hold Canadian exports to the United States to a negligible figure, but the new set of conditions, including the premium on U. S. dollars in Canada and the importance of building exchange in the United States, may bring about a reversal in the trade's trend, and American customers may again be an important factor for the Canadian industry.

Whatever sales are made by Canada in the United States, however, will represent only a small percentage of the total American domestic market.

The Post-Bag

Independence

Winnipeg Free Press publishes the exchange of letters between Victor Sifton, (general manager of the paper) and Col. Ralston, touching Mr. Sifton's appointment as acting Master General of Ordnance.

Mr. Sifton took the job on condition that the Government recognized the fact that the Free Press intended to remain independent and free to criticize government policies, even if its general manager did become a government official.

Col. Ralston took the matter up with the Prime Minister and Mr. Sifton got his assurance.

Mr. Sifton's name has been dropped from the Free Press' mast-head. He has withdrawn from active management of the paper. Any day now Mr. Sifton's Free Press may find itself raking the M.G.O. or his new bosses over the coals.

* * *

Indices

In Great Britain, wholesale costs have risen 30% since the beginning of the war. The cost-of-living index is up 22%. Wages have increased 12%.

* * *

More Pamphlets

Canada is being smothered with pamphlets but if they lead to increased public study — and well-informed study — of national affairs they are bound to be a useful war contribution.

Two new ones in the "Behind the Headlines" series, (10 cents each), sponsored by the Canadian Association for Adult Education and the Canadian Institute of International Affairs, are:

"Shake Hands with Latin America," a short survey of Canada's relationship to the rest of the Americas. The authors are Mary McLean and John R. Baldwin.

"Confederation Marches On," a commentary on the Rowell-Sirois report by R. M. Fowler. Fowler, assistant secretary of the Rowell-Sirois commission, surveyed the report for The Financial Post some time ago and followed with a series in MacLean's Magazine.

* * *

Victoria's Island

A farmer of Kei Road in Northern Rhodesia was recently approached by one of his African servants, a very old man, who asked him how much was due him in wages.

He was told that £4 was due, and a larger sum was due to his son. "I wish to give £5 toward winning the war," said the old man. "Will you please subtract that amount and send it to the war fund?"

The farmer, very pleased, agreed, and they chatted about the war, whereupon the old man gave it as his opinion that Queen Victoria was very wise to settle with her tribe on an island, where no one could get at them.

* * *

And Why Not?

R. W. Gladstone, Liberal M.P. from Wellington South, threw a bomb into Parliament the other day when he urged the appointment of a new minister to be given the title of Promoter of Economies.

* * *

"Agumik"

Recently we wrote about the T. & N. O. Railway's new restaurant car, and we said its name, "Agumik," was the Cree word for eating place.

The Soo Star doubts our story. It says the letter "g" is ignored in the generally accepted Cree dictionary. The word "Kumik" means building and the word for eat is "mechisoo." "Agawm means float, which suggests to the Star that "agumik" refers to a floating or moving place and is meant to explain the dining car's never-ceasing journeys.

A. H. Cavanagh, chairman and general manager of the T. & N. O., informs us that the name was chosen on the authority of a former resident of Moosonee, who had years of contact with the Crees and was familiar with their language. This authority suggested either "Agumik," meaning "an eating house or place," or "Meechisoo," meaning "come and eat."

We await with interest the further comment of the Soo Star—a greater authority on Cree etymology than we are.

* * *

Mystery

Here's one for the staff sleuth to puzzle out when he gets caught up. We sent a reprint of a Post editorial to members of Parliament. One of the reprints came back this morning. It had scribbled across the bottom a not very generous estimate of Hon. C. D. Howe.

The message was not signed. It was in a Senate envelope. The address was not written or typed; just the corner of The Financial Post envelope torn off and pasted on. The letter could have been sent free if the Senator had franked it with his initials. But he stamped it instead. He used a three-cent excise stamp and we had to pay six cents postage due.

* * *

Ask For More

Here's an extract from a letter from Florida:

> "I was at ——'s for dinner. He is editor of the most influential newspaper in Florida. He knows public sentiment. He says that the Priestley broadcasts were one of the greatest forces in moulding U. S. opinion. He said, 'Why don't they buy the air on U. S. stations once in a dog's age and run a Canadian programme, with both men and women and only top-notchers. What about some of these business firms that use both U. S. and Canadian stations giving a half-hour once a month to Canada's war effort.'"

By the way, how is CBC getting on with its short-wave station?

Gand Trunk 4% Stock Taken Off Market

From Our Own Correspondent

MONTREAL.—Grand Trunk Railway perpetual 4% debenture stock, payment of interest on which is guaranteed by the Canadian Government, would not be offered for sale again when the securities are repatriated. An announcement to this effect was made in the House by Hon. J. L. Ilsley, Minister of Finance, in discussing the plans for repatriating Canadian securities from the United Kingdom now in effect. It was estimated this stock had a value of $109 millions.

The minister said it was probable the United Kingdom authorities would be asked not to sell other government-guaranteed railway securities involved in the repatriated plan except to institutions owned by the Dominion Government.

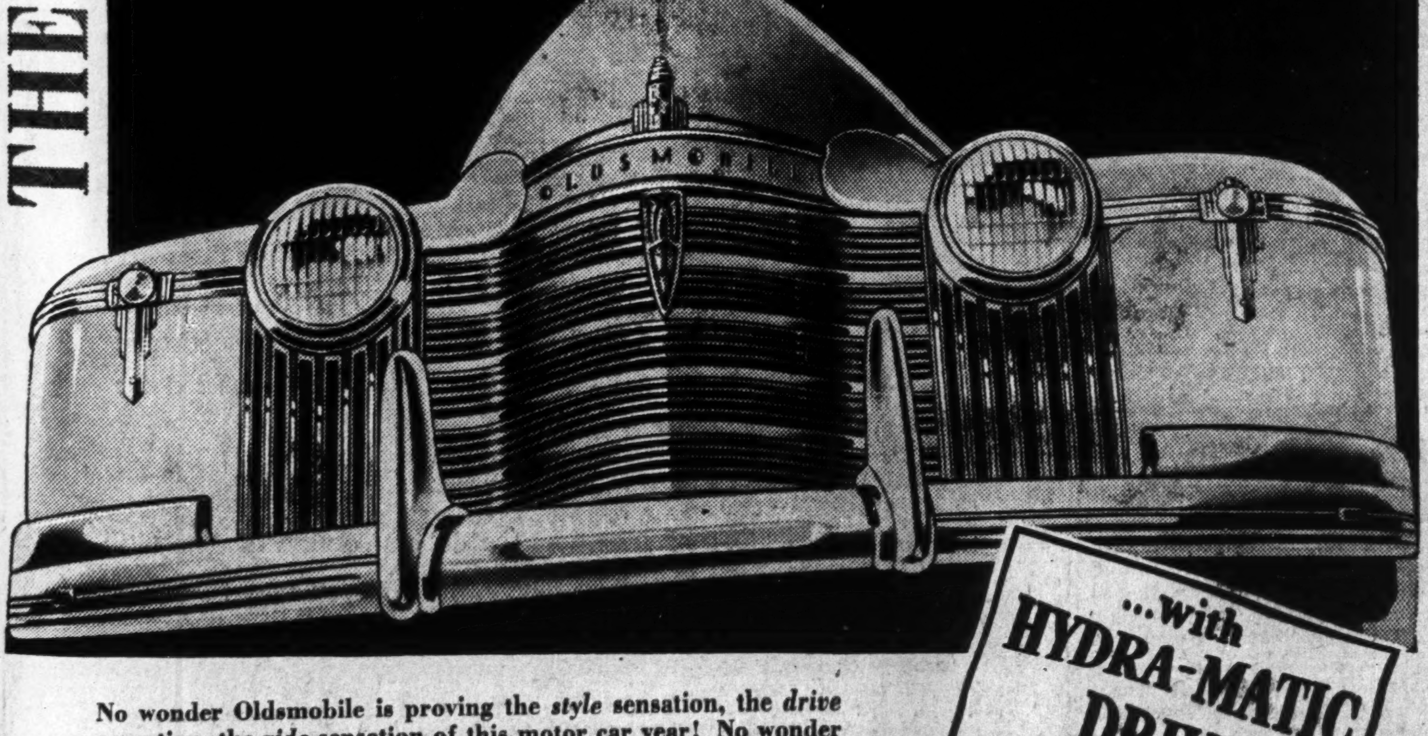
Will Continue to Pack Cigarettes in Tins

MONTREAL.—Reports that cigarette manufacturers would abandon the use of tins for packaging cigarettes in lots of 50 and 100 are officially denied. For some years one or two of the manufacturers have used cardboard in packaging the larger quantities, but operators report that there is no plan in mind or under consideration for any further changes in method of packaging.

THE SENSATION OF THE MOTOR CAR YEAR!

OLDSMOBILE

GREAT NEW VALUES IN SIXES and EIGHTS



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NO CLUTCH - NO SHIFT

All you do is steer—step on it—stop—with Oldsmobile's exclusive Hydra-Matic Drive. Driving is simplicity itself. No gears to shift . . . no clutch to press. And besides saving effort and improving performance—Hydra-Matic saves gasoline—Try it!

No wonder Oldsmobile is proving the *style* sensation, the *drive* sensation, the *ride* sensation of this motor car year! No wonder Oldsmobile—with its low-priced Special Six . . . a stunning new Dynamic Cruiser Six . . . and a magnificent Custom Cruiser Eight . . . is *the car ahead for 1941*. The new Oldsmobiles are *bigger*—with longer wheelbase and wider tread. The new Oldsmobiles are *more powerful*—with an improved 100 h.p. Olds Engine in all six cylinder models. They're *roomier, more comfortable*—with an even finer Rhythmic Ride. And, over and above all other advancements, the new Oldsmobiles are offered with Hydra-Matic Drive*—most far reaching motoring development of recent years! See this great new Oldsmobile line, at your dealer's showrooms, today, and take a trial drive.

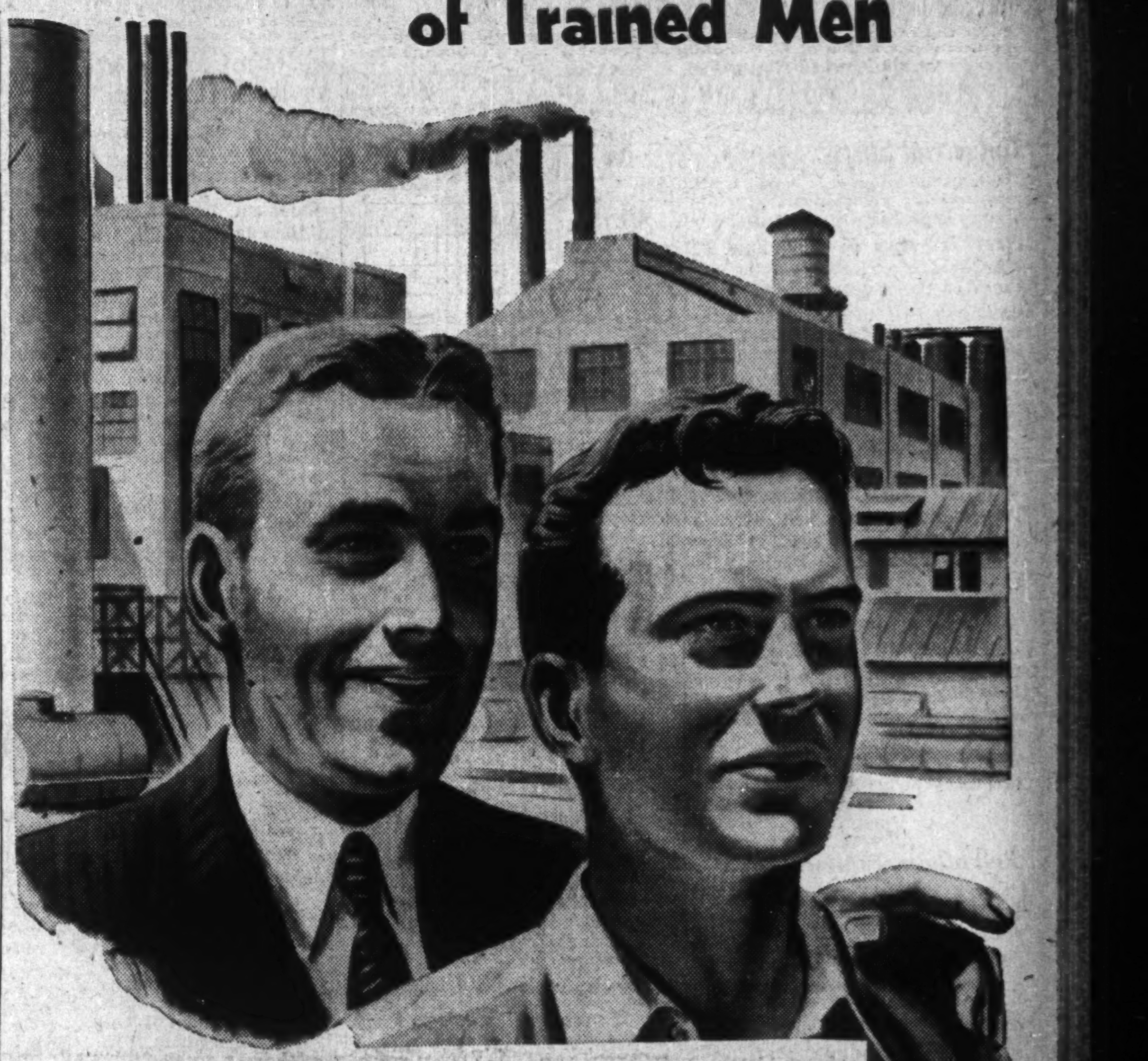
BUY WAR SAVINGS CERTIFICATES

*Optional at extra cost

O-341

MOBILIZING MAN POWER

to Meet the National Shortage of Trained Men



There is an I.C.S. Employee Training Plan for Every Type of Industry.

THE NEED IS GREAT

★ Today, industry's most urgent job is to train men for Canada's war needs. The shortage of skilled workers cannot be filled by drawing on other industries, or from the United States. In the words of the Honourable J. L. Ralston: *"To overcome this obstacle, we (the government) must have the co-operation of Canadian employers."*

HERE IS THE ANSWER

★ International Correspondence Schools' plan of Co-operative Training for industry—training related directly and definitely to the requirements of the job—has proved itself capable of producing greater results than any other method. This fact is attested by the more than 2,300 prominent industrial organizations that have adopted I.C.S. plans.

I.C.S. Co-operative Training is clear-cut and authoritative—it is not a dream, a proposal or a hope for the future. It is a completed, tested programme . . . ready to operate . . . not in six months or in three months, but now, TODAY . . . and within your own organization!

Your junior employees do not look to you to pay for their training. They are ready to do that themselves! But they do look to you for guidance . . . direction . . . opportunity to acquire training. Management can provide that opportunity . . . and must provide it if the shortage of trained men is to be overcome quickly. Clip and mail the coupon for complete information on this important subject.

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Investment Trends

Tax and Tariff Changes Bring New Problems

Ilsley Says Non-essential Imports to Be Reduced Before Mobilization of Foreign Securities Adopted

This week, Hon. J. L. Ilsley, Minister of Finance, makes more clear the direction in which the Government is going to channel domestic buying for the duration of the war. One disturbing factor, which plays a part in keeping investor confidence to low levels, is the frequency with which tax and tariff changes are being made.

The situation emphasizes the fact that even yet we have not seen the end. Mr. Ilsley says of Canada's resources of foreign exchange:

> "In the opinion of the Government, however, they cannot reasonably be used to facilitate the continuance of non-essential imports. Nor do we believe that we would be justified in mobilizing and liquidating the substantial volume of foreign securities which are owned by our people, until at least a serious effort has been made to restrict our consumption of such non-essential imports."

This remark forecasts, apparently, that the Government is still groping for a formula which can be regarded as a permanent basis for leadership. It indicates that further measures may be taken to restrict these "non-essential" imports. It also hints strongly that a period of trial will be given to this method of conserving and marshalling our resources before U. S. stocks and bonds held by Canadians are taken over and liquidated.

At the same time, it suggests that Canadians should be prepared for this repatriation of U. S. holdings, probably along the same lines already used in Great Britain.

* * *

Industrial Shifts

What the new tax and tariff measures are going to mean to investors is probably a substantial decrease in sales of most lines of household electrical apparatus because of the approximate 15% increase in cost through the higher tax. But this in itself will not likely shut out sales of such products, particularly when increasing general income becomes available for purchases.

Investors, however, are warranted in adopting a cautious attitude toward companies largely dependent on manufacture and sale of such gadgets. Companies such as Easy Washing Machine Co., Beatty Bros. and Rogers-Majestic should feel the progressive steps to restrict public purchases of this equipment. For other concerns, such as Canadian General Electric or Westinghouse, household appliances are only one division of a much larger operation. The other lines are being stimulated more than the household lines are likely to lose.

* * *

Petroleum Policies

Imports of crude petroleum from the United States, our largest single source of supply, are being made subject to license. Strong hints are given, moreover, that if necessary more stringent measures will be taken. Lubricating oils and refined gasoline seem slated for further restrictions when brought in from the U. S.

It is quite clear that Canada is a hopeless distance from being able to supply its own petroleum needs. Whether or not sufficient to maintain present rate of consumption can be found in Empire or "sterling" countries is hardly clear. At any rate it looks as though International Petroleum's supplies, particularly from Colombia and Peru, will be used on an increasing scale. Beginning in a few weeks, oil from Colombia will be delivered to Sarnia; already increasing amounts from Peru are coming to British Columbia.

The broad effect of these regulations, however, is aimed at shifting production of refined products now imported to Canadian refineries. It follows that these should be more busy so long as consumption holds present levels.

* * *

Britain's Position

Mention by Mr. Ilsley of a possible repatriation of Canadian-held U. S. securities brings attention back to Britain's actions along this line. Britain has commitments in the United States totalling about $2,500 millions. Offsetting this are broker and banker balances, stocks and bonds, and other types of investments to an aggregate of about $2,400 millions. Add to this estimated British gold holdings of $3,000 millions and you have an idea of their available resources.

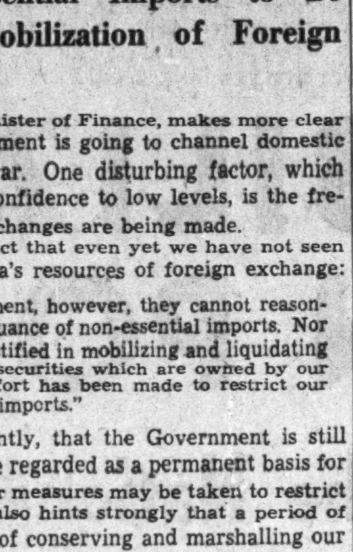
It is understood that liquidation of British holdings of the list of Canadian securities mentioned some time ago is proceeding satisfactorily. By far the greater proportion has apparently been sold already. One difficulty dealers have met in handling these securities is the problem of delayed delivery. Apparently not all of the securities involved are yet in Canada. In some cases, proper authorization had not been obtained from the original British owners. Then there is the risk and delays of wartime communications which are making the job more troublesome than at first expected.

Investment Notes

General Steel Wares—Volume of business handled by the company this year to date has shown a satisfactory increase over the like period a year ago. While gross dollar revenue shows a good gain, it is difficult to comment on the net profit position until uncertainties in connection with new taxes have been settled.

* * *

Canadian Breweries—The preliminary earnings statement shows net profits up to $3.22 a share on the preferred from $3.18 a year ago in spite of a rise of over 100% in provision for income taxes.



Utility Firm's Taxes Heavy

Southern Canada Power Pays 17½% of Gross Income in Taxation

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. pays 17½% of its gross revenue in taxes to the Dominion, provincial and municipal governments, James B. Woodyatt, president, says in his annual report to the shareholders.

Last year the company paid $472,155 in taxes, an increase of $150,000 over the previous year. This was equivalent to $15.08 per customer served last year.

These figures do not include any miscellaneous taxes and licenses which would add considerably to the total.

Discussing capital expenditures, Mr. Woodyatt pointed out that last year the company spent in excess of $650,000 on new construction and equipment. Several new transmission and distribution lines were brought into service, and equipment consisting of transformers, control, switching of protective apparatus and metres was purchased. The company now has in operation 562 miles of transmission and 670 miles of distribution lines.

The sale of electrical merchandise through the medium of the company's 25 stores was satisfactory, Mr. Woodyatt reports. Sales amounted to $312,745 as compared with $300,102 for the previous year.

Saguenay Transmission Alters Capital Structure

From Our Own Correspondent

MONTREAL. — Saguenay Transmission Co., wholly-owned subsidiary of Saguenay Power Co., has received authority from Quebec Public Service Board to increase authorized capital from 1,000 to 100,000 shares, and to issue a further 49,150 shares to the parent company for a consideration of $983,000. This block of stock will be paid for by a reduction in the open account indebtedness to Saguenay Power.

This transaction will increase the issued capital from 850 to 50,000 shares of a value of $20 each.

Tuckett Cigar Co. Giving Up Charter

From Our Own Correspondent

MONTREAL.—Tuckett Cigar Co., an indirect subsidiary of Imperial Tobacco Co. of Canada, has filed notice with the Ontario Provincial Secretary of its intention to surrender its charter.

Easy Washing Net Profit Up

Probably Several Thousand Dollars Higher Than in 1939

Net profit of the Easy Washing Machine Co. for 1940 is expected to be up several thousand dollars from the $25,089 reported in 1939, after providing for the higher taxes, The Financial Post is advised officially.

Domestic sales for the 10 months ended Oct. 31, last, were 34.75% higher than in the same period of last year, while approximately the same increase was shown in November over the same month of 1939. Export business, on the other hand, was lower. It has been confined to South Africa since shortly after the start of the war and now amounts to only about 3% of the total volume. The big British market was lost about a year ago, while larger shipments to New Zealand and small ones to Belgium and Holland have halted.

No Price Increases

The company has found it unnecessary to increase prices since the outbreak of war. Higher labor and material costs have been offset by plant operating economies and the larger sales volume. A factor in improving sales has been the introduction of redesigned products since last May. Not only have styles been streamlined, but mechanical improvements have been made in the engines of the washing machines. This, it is pointed out, has been completed just in time to avoid the "freezing-of-designs" policy recently announced by Ottawa for such products as washers. This is expected by officials to give the company an advantage over competitors.

Severe price competition on machines imported from the United States has remained, although the embargo on this type of goods effected by Ottawa this week under the War Exchange Conservation Act should eliminate it for the future.

Outlook Confused

The outlook is disturbed by three factors. Taxes promise to cut more and more into earnings as the war advances. The new 25% tax on washing machines announced this week by Ottawa may tend to depress sales, while the exact effect of the "freezing" of designs "for the duration" can be determined only by actual experience.

The company has declared a dividend of 17½ cents per share on the 7%, $10 par preferred stock, payable Jan. 2, next, to shareholders of record Dec. 20. Arrears following this payment will amount to 87½ cents per share. Last distributon was 17½ cents on Aug. 15.

War Orders

Among the 4,784 contracts awarded in the two weeks ended Nov. 15 by the Department of Munitions and Supply, aggregating $11.5 millions, were the following obtained by companies in which there is public investment interest:

	$
Foodstuffs:	
Canada Packers	363,853
Burns & Co.	12,515
W. H. Malkin Co.	8,540
Clothing:	
Acme Glove	24,737
Canadian Converters	33,250
Dominion Woollens	63,963
Robert Simpson	20,139
Personal equipment:	
General Steel Wares	61,500
B. F. Goodrich	11,288
Kitchen & dining equipment:	
Beatty Bros.	5,206
Beds, bedding, tentage:	
Dominion Textile	34,898
Dominion Rubber	70,000
Woods Manufacturing	21,477
B. F. Goodrich	17,500
Shipbuilding:	
Canadian Marconi	8,933
Halifax Shipyards	8,642
Land transport:	
Canadian Car & Foundry	22,505
Ford Motor Co.	412,330
Dominion Engineering	7,698
Western Steel Products	58,125
National Steel Car	136,710
Aircraft:	
Canadian Vickers	16,718
Sanitary supplies:	
Dominion Textile	19,500
Electrical equipment:	
Canadian General Electric	80,543
Canadian Marconi	87,524
Canadian Westinghouse	71,912
Amalgamated Electric	42,331
Machinery:	
Canadian Ingersoll-Rand	211,465
Construction & defense projects:	
Dominion Steel & Coal	15,317
General Steel Wares	13,317
Gasoline, oil & fuel:	
McColl-Frontenac	83,613
B. A. Oil	72,698
Imperial Oil	181,689
Capital expenditure:	
Dominion Bridge	40,950
Unclassified:	
Woods Manufacturing	38,783

Moore Corp. Declares Larger Extra Dividend

Moore Corp. has declared an extra dividend of 60 cents a share on its common, payable along with the regular quarterly of 50 cents, on Jan. 2, 1941, to shareholders of record Dec. 7. Both dividends will be paid in United States funds.

Total disbursements on the common this year will be $2.40 a share compared with $2.20 a share for 1939.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1939-39:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940:												
Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	85.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.4	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	96.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Sept.	107.0	16.5	81.0	120.9	81.9	163.1	124.9	121.0	51.3	76.0	39.3	83.2
Oct.	105.1	16.1	79.3	112.0	81.5	162.9	124.8	123.6	51.1	75.2	38.8	81.4
Weekly Figures:												
Nov. 7	107.4	16.7	68.1	111.2	81.9	162.7	128.4	126.2	50.7	74.9	38.8	81.7
Nov. 14	109.2	17.1	70.1	109.4	82.8	162.3	134.9	129.7	51.5	76.0	39.9	82.9
Nov. 21	106.6	16.5	69.7	107.0	82.4	163.4	134.3	125.3	50.7	75.9	39.6	81.7
Nov. 28	105.0	15.9	67.8	105.9	81.6	160.3	132.7	123.6	49.9	76.5	38.7	80.5

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 3	100.94	105.51	67.74	21.94
Dec. 2	101.40	104.52	68.25	21.89
Nov. 30	101.23	105.43	67.74	21.93
Nov. 29	101.27	105.96	68.12	21.82
Nov. 28	101.96	106.41	69.21	22.57
Nov. 27	102.08	106.67	69.68	22.55
Month ago	102.78	101.58	69.54	21.83
Year ago	121.98	115.60	85.46	29.67
High 1940	128.84	123.80	88.97	33.31
Low 1940	86.00	77.34	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Dec. 3	55.2	67.1	63.1	84.85	77.28
Dec. 2	55.3	67.4	63.3	84.01	77.14
Nov. 30	55.4	67.3	63.3	84.19	77.03
Nov. 29	55.4	67.7	63.6	85.31	77.42
Nov. 28	55.4	68.0	63.8	85.53	77.40
Nov. 27	55.3	68.0	63.8	84.32	77.66
Month ago	55.9	69.3	64.8	88.75	75.01
Year ago	66.7	87.8	80.7	135.80	98.23
High 1940	69.2	92.2	84.4	152.63	100.81
Low 1940	50.7	58.9	54.7	68.44	55.16

Market Opinions

Barron's, N.Y. (Dow Theorist)—The reaction since the highs of Nov. 9 and 14 has retraced 31.7% of the rise from the June low in the Dow-Jones average of industrial stocks, and in the rail average 24.3% of the corresponding rise from its May low. This is no more than might be expected at any time in a rising market. It is possible that the averages will now recover and advance to further new highs, in which case the apparent decline can be forgotten so far as the Dow theory is concerned. However, if the averages should recover but fail, one or both, to exceed the highs of 138.12 and 30.29, and then should decline to new lows since November, the downward movement would have to be classed as of intermediate proportion under the Dow theory. Such would afford a conclusive test of the nature of the summer and fall rise. If the averages, in the course of such a decline, should fall below the May-June lows, the primary trend would be re-emphasized as downward. But refusal by one or both averages in an intermediate decline to fall below the May-June lows, followed by a rise beyond the November highs, would decisively characterize the primary trend as bull and not bear.

* * *

Barron's, N. Y. (The Trader) — Weighing all the conflicting factors of record low bond yields, unprecedented incoming orders, unapproached business activities, and taxes, it would appear that the final factor bulks heaviest in speculative and investment decisions.

* * *

Brookmire Counselor, New York—Evidence of recovery progress is multiplying on every hand and notably in the numerous instances of dividend increases. Seasonable influences such as tax selling, however, are contributing to reactionary tendencies in the stock market. Possible shocks from abroad must also be taken into consideration. None the less, reaction possibilities and tax factors should not be allowed to disturb well-balanced portfolios.

* * *

Journal of Commerce, N.Y.—(Jules I. Bogen)—The next, two or three months are likely to prove a relatively quiet interlude before the adoption of a series of significant economic and financial measures. In the meanwhile, security prices are fluctuating within a relatively narrow range, awaiting clarification of the nature and extent of these changes.

* * *

Magazine of Wall Street, N.Y.—The recent technical performance emphasizes sobering investment and speculative doubts, with forthcoming tax changes most prominent in the current reckoning. Major advance appearing unlikely, the alternatives are more reaction or a trading range stalemate.

* * *

Financial World, N.Y.—There are numerous issues which are affording satisfactory yields, whose profits despite new taxes should continue to improve, and which are selling at a reasonable relation to current and prospective earnings. This is the type that should constitute the bulk of one's common stock holdings. In addition, a good backlog of medium grade preferreds and bonds is recommended.

Year's Dividend Total Shows $1.8 Million Gain

This year is going to see a gain of about $1.8 million in aggregate dividends paid by Canadian companies over last year's level, according to estimates prepared by The Financial Post. This gain is made in spite of reductions by a number of companies, four of them paying out $8.6 millions less than last year.

December is traditionally the month of largest dividend payments. The total this month is estimated at $63.4 millions against $73.5 millions for the corresponding month a year ago.

For all of 1940, the dividend payments are estimated at $303.8 millions compared with $302 millions for 1939.

Many Extras

Year-end extras are being paid by 15 companies this month while three others are distributing a stock bonus. Seven of the companies paying extras are mining companies.

Anglo-Huronian is paying 10 cents a share. Its last previous payment was the same amount in 1938. MacKinnon Steel is paying $1.25 a share on its preferred with its last previous payment being 87½ cents in March. Melchers is paying 30 cents a share, same amount as last December. Robert Mitchell's 50 cents is the first dividend since 1932. Model Oils is paying two cents this month while its last previous payment was four cents in July, 1939. Regent Knitting has also resumed payment interrupted in Nov., 1937.

Arrears are being reduced by St. Lawrence Corp. on its class A and on the St. Lawrence paper preferred. Marcus Loew's is also cutting arrears.

Six companies are making initial distributions. They are: Amalgamated Electric on its common; Canada Foundries on its class B; Chesterville Larder Lake; Francoeur; Levy Bros.; and Wendigo.

Increased rates are announced by Associated Breweries and Canada Wire & Cable.

On the other hand, Imperial Oil, International Petroleum, Louisiana Land, Siscoe and Northern Empire Mines are making reduced payments.

Monthly Dividends

	1940 $	1939 $
January	22,938,309	20,670,579
February	6,779,319	7,002,808
March	28,740,412	26,233,492
April	23,487,730	20,895,644
May	7,927,144	6,892,927
June	58,508,850	64,924,477
July	27,657,919	23,543,271
August	6,920,483	6,516,263
September	25,783,812	24,298,569
October	23,942,735	21,019,377
November	7,688,527	6,556,874
December	63,445,127	73,466,517
Total	303,820,367	302,020,798

Summary of Dealer Payments

	1940 $	1939 $
Dividends	63,445,127	73,466,517
Bond interest	20,805,000	21,129,000
Total	84,250,127	94,595,517

Dividend Payments

Company	Rate $	Date	Amount $
Aluminum	1.50q	5	1,116,615
Do., extra	2	20	1,488,820
Do., pref.	†1.50q	1	118,494
Amal. Electric, c.	▲.25	26	21,105
Amer. Cyan., A, B	†*1.50	20	3,927,550
Andian National	†1s	2	2,550,000
Do., extra	†.50	2	1,275,000
Ang.-Can. Tel., A	.15	2	73,065
Anglo-Huronian	.10	30	150,000
Asbestos Corp.	.15q	31	90,000
Do., bonus	.15	31	90,000
Assoc. Brew., c.	.60	21	142,800
Bank of Montreal	2q	2	720,000
Bank of Toronto	2.50q	2	150,000
Bk. Can. Nationale	2q	1	140,000
Blue Top Brew., A	.30s	31	5,460
Beattie Gold	.04q	5	192,505
Do., extra	■.02	5	96,252
Bright, T. G.	.07½	16	7,500
Do., pref.	1.50q	16	11,233
Bulolo Gold	1.50s	16	1,500,000
Broulan Porc.	.03	21	80,820
Canada Bud Br.	.20s	12	30,000
Canada Cement, pf.	1.25q	20	251,086
Can. & Dom. Sugar	.37½q	1	562,500
Can. Cycle. pref.	1.25q	26	12,333
Can. Foundries, A	.37½	16	14,227
Do., class B	▲1.50	18	14,400
Canada Malting	.50q	14	99,486
Do., extra	.50	14	99,486
Canada Vinegars	.10	2	9,200
Can. Wire & Cable, A	1q	15	29,669
Do., B	.50q	15	75,331
Do., pref.	1.62½q	15	46,704
Can. Celanese	.25q	31	65,102
Do., extra	.40	31	104,163
Do., pref.	1.75q	31	175,000
Can. W. Nat. Gas, p.	1.50q	2	40,470
Can. Indust., A, B	1.75q	20	1,212,842
Can. Int. Inv. Tr., p.	.50q	2	8,000
Can. Malartic G.	■.02	17	73,027
Can. Tube & Steel, p.	3	16	45,000
Capital W.-Cloth, p.	.37q	2	3,700
Cel. of Amer., c. stk.	†*	10	35,896
Do., part. pref.	†3.50s	31	518,626
Chesterville L. L.	▲.05	14	86,777
Confed. Amuse, pf.	3	4	16,101
Confederation Life	1.50q	31	15,000
Coniaurum Mines	.04q	5	110,669
Do., extra	■.02	5	55,334
Cons. D. Std. Sec., pf.	.37½s	16	13,462
Cons. M. & Smelting	.50s	31	1,636,883
Do., extra	.75	31	2,455,324
Cons. Sand & G., pf.	3.50	18	25,634
Coronation Rylts.	.01½	30	12,000
Crow's Nest Coal	1.50s	2	93,189
David & Frere, A	.25q	31	5,750
Distil.-Seagram, c.	.55½q	16	972,718
Dom. & Ang. Inv., p	1.25q	2	16,875
Dom. Envelope, p.	1.75q	1	7,402
Dom. Foundries, p.	1.50q	2	18,000
Dom. Scot. Inv., pf.	.50q	2	24,568
Dunlop Tire	.50	27	28,384
Do., pref.	.62½s	31	20,591
East Malartic M	.10	2	400,000
Electrolux	†.25	23	309,375
English Elec., A	.62½q	16	26,622
Famous Players	.25q	27	107,631
Fanny Farmer	†.37½	20	140,573
Do., extra	†.25	20	93,715
Ford Motor, A, B	.25q	21	414,740
Foundation Pete.	.01	30	11,000
Francoeur Gold	▲.03	20	89,499
Gatineau Power, c.	.20q	31	332,389
Gold Belt M.	.02	16	51,000
Goldale Mines	.02	18	56,806
Granby Cons.	■†.15q	2	67,539
Gt. Lakes Pap., A, B, p.	.50	31	100,000
Growers' Wine	.05s	15	18,360
Hallnor Mines	.15q	2	300,000
Ham. Un. Theat., pf.	1.25	31	9,070
Hard Rock Gold	.05	20	149,503
Hart Battery	.10	31	5,000
Do., extra	.15	31	7,500
Hinde & Dauch	.12½q	20	37,491
Hollinger Cons.	.05	2	246,000
Do., extra	.05	2	246,000
Howey Gold	.03	31	150,000
Hudson Bay M. & S.	1	16	2,757,973
Imperial Oil	.25s	2	6,741,269
Imp. Tobacco, ord.	.10q	31	945,103
Inter. C. Baking	1.50s	10	31,717
Inter. Nickel, c.	.50q	31	7,292,012
Int. Coal & Coke	.01½s	10	45,000
Inter. Petroleum	.50s	2	7,162,044
Do., pref.	.50s	2	100,000
Island Mtn. Mines	.07	16	73,550
Kerr-Add. Gold	.05	20	236,515
Kerr Lak Me.	†.05	16	30,000
Lake Shore M.	■.50	14	1,000,000
Lake of Woods M.	.50s	2	73,844
Do., pref.	1.75q	2	26,250
Laura Secord	.20q	2	57,500
Levy Bros., c.	▲.15	27	7,500
Little Long Lac	.10	21	184,100
Loblaw Groc., A, B	.25q	2	207,089
Do., extra	.12½	2	103,544
Louisiana Land	†.05q	16	148,256
Macassa Mines	.08q	16	214,245
Do., extra	.03	16	80,342
MacKinnon Steel, p.	1.25	16	5,937
Mansfield Theat., p.	1.75	30	13,125
MacLeod Cockshutt	.10	20	285,149
McGillivray Coal	.01½	10	40,244
Do., bonus	.01	10	26,830
Madsen R. Lake	.03	15	104,385
Magnet Cons. M.	.05	18	150,000
Marcus Loew's, pf.	1.75q	21	11,442
Do., arrears	1.75	21	11,442
Melchers Dist., pf.	.30	20	37,500
McIntyre Porc.	.55½q	2	442,890
McKen. R. Lake	●.03	18	104,385
Mitchell, Robt.	.50	20	36,200
Model Oils	.02	21	19,910
Montreal Cottons	1q	15	30,000
Do., pref.	1.75q	15	52,500
Montreal Loan	.31¼q	16	7,500
Montreal Refrig., p.	1.25	16	24,578
Nipissing Mines	.15	11	180,000
Neon Prod. W. Can., c.	.35	20	19,192
Noranda Mines	1q	16	2,239,772
Nor. Empire Mines	.10	27	40,000
Northwest. Util., p.	1.50q	1	15,189
N. S. Light & Pr., p.	1.50q	2	36,450
Ogilvie Flour, p.	1.75q	2	35,000
Ottawa Electric	.30q	30	10,559
Pamour Porc.	.06c	2	300,000
Pato Cons. Gold	.10	18	320,000
Paton Mfg.	.50q	15	5,000
Do., pref.	1.75q	15	10,500
Perron Gold	.04q	21	80,000
Do., extra	.01	21	20,000
Pickle Crow Gold	.10q	31	300,000
Placer Develop.	.60	16	446,400
Pressed Metals	†.25q	2	67,144
Provincial Bank	1.50q	1	60,000
Regent Knit.	.25	30	16,252
Do., pref.	.40q	30	6,400
Reliance Grain, p.	1.62½q	14	32,500
Rolland Paper, pf.	1.50q	2	22,500
Royal Bank	2q	2	700,000
Royalite Oil	.50s	2	358,743
Russell Indust.	.20q	26	16,000
Do., pref.	1.75q	26	15,730
St. Law. Corp., pf. A	‡.90	23	268,263
St. Law. Paper, p.	‡2	23	284,512
Sherritt G. Mines	■.05	12	293,721
Simon & Sons	.15q	21	4,507
Do., pref.	1.75q	21	4,635
Siscoe Gold	.02½q	16	116,001
Stuart, D. A. Oil, p.	.20q	2	8,376
Sylvanite Gold	†.05q	28	164,975
Do., extra	†.05	28	164,975
Toronto Elevators	1	7	52,318
Do., pref.	.68q	7	19,595
Union Gas	.20q	14	141,239
Ventures	■.10	21	157,395
Walker-Good.	1q	16	724,004
Do., pref.	.25q	16	140,204
West. Can. Hyd., B	5c	1	5,000
Do., pref.	.20q	1	10,762
Wenidgo Gold	■▲.03	2	52,483
Total			63,445,127

q—Quarterly. s—Semi-annually.

†Payable in U. S. funds.

■Subject to approval by Foreign Exchange Control Board. ‡Arrears.

*One share for each 30 common shares held.

▲Initial. ●Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held. *Stock bonus payable in 5% pref., 3rd series, of 1 sh. pref. for each 6⅔ shs. A and B held.

Canadian Vickers Ltd. Revises Directorate

From Our Own Correspondent

MONTREAL.—A. F. Culver, E. Gerald Hanson and Russell D. Bell, who together with John I. Rankin, constitute the committee representing the bondholders of the company, have been elected to the board of Canadian Vickers Ltd. Mr. Rankin has been a director for some years and continues as such.

These appointments, according to J. Edouard Labelle, K.C., president of the company, fulfill an obligation under the extraordinary resolution adopted by the bondholders at the meeting held August 12 last. Inasmuch as only one vacancy existed on the board, that of Lieut. Rene LaBelle, who had retired upon his enlistment for war service, A. S. Fraser and Avila Raymond voluntarily resigned as directors to enable the company to meet this obligation. However, their services have been retained through their appointment as an advisory committee to the company.

Mercury Mills Earnings Rise

Textile Mill Reports Substantial Jump in 1940 Earnings

Record volume of business is being enjoyed by Mercury Mills, Ltd., The Financial Post learns officially. Net earnings before taxes in 1940 will be substantially ahead of last year. Profits before taxes in 1939 totalled $63,411—which was the first year since 1929 a net profit was shown.

It is proposed to provide liberal reserves out of 1940 earnings. After these and higher taxes, however, it still is anticipated net profits will be up from 1939.

The company has two plants at Hamilton and Listowell, both of which are working at capacity. Both civilian and defense business has been heavy, the big increase this year having been due primarily to orders for the armed services. In the week ended Nov. 22, for instance, contracts awarded the company by the Department of Munitions and Supply totalled $647,214. These orders were for underwear, the principal item supplied for the armed services.

Difficult Tax Problem

The company has a difficult tax situation. Under the "excess" profits tax, 75% of the earnings in excess of the average for the four years ended in 1939 go to the Government. Mercury Mills, it is pointed out, went through a "depressed" period during these years. Only in one of the four years—1939—did it have a taxable income, so average is made by taking one fourth of the 1939 earnings of $63,411. Thus, The Post finds, 84½% of earnings above $15,853—after including provincial and ordinary corporation taxes—would go to the Government. The company no doubt will seek special consideration from the referee board as a "depressed" business.

No official information is available as to the possibility of dividends being paid. The reorganization of last year left only common stock and 5% first mortgage bonds. No dividends have been distributed, and according to special terms governing such payments, working capital cannot be reduced below $750,000. Working capital totalled $621,902 at the end of 1939.

Canadian Celanese Ltd. Reduce 'Extra' Dividend

From Our Own Correspondent

MONTREAL.—Directors of Canadian Celanese Ltd. have declared a dividend of 25 cents a share on the common stock for the last quarter of 1940, together with an extra dividend of 40 cents, both payable Dec. 31 to shareholders of record Dec. 17. This makes a total payment for the year of $1.90 a share, as against an aggregate distribution in 1939 of $2.85, and in 1938 of $1 a share.

It was also announced that the participating dividend, to which holders of participating preferred are entitled for 1940, will be determined when the company's accounts for the year are closed.

March 15 next has been fixed as the date when interest will be paid holders of income funding rights, of record Dec. 30, 1940.

Business Expands
Corporation Bonds Improve

With business activity reaching new high levels, the security behind Canadian Corporation bonds is being further strengthened.

Earnings are rising — debt is being reduced — assets are increasing.

Security	Rate %	Due	Price*	Yield %
McColl-Frontenac Oil Co. Ltd.	4¼	1949	102.75	3.88
Dominion Tar & Chemical Co. Ltd.	4½	1951	102.50	4.21

* and accrued interest.

Mail enquiries receive prompt attention.

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Security Trade Brings Capital to Canada

Canada's international trade in securities remained at an unusually low level in September, although up slightly from the two preceding months. Net sales of $2 millions, up somewhat over the July and August figures, represent an import of capital to this extent.

This time, Canadian securities were sold in substantial volume, following two months in which United Securities made up most or all of the balance of sales. Once again, however, largest part of the sale of Canadian securities was bonds, while United States stocks contributed the larger part of the sales of United States securities. With the United Kingdom, purchases exceeded sales for the sixth successive month by the small amount of about $200,000.

Cut Capital Import

For the nine months ended in September, Canada's trade in securities with other countries showed an excess of sales over purchases of about $25 million, less than half the balance of $59 millions in sales for the same period of 1939.

Consistently sales to the United States have accounted for most of the capital inflow in this year, amounting to over $25 millions in the nine months period. Repurchases from the United Kingdom show a net balance of only $1.4 millions, while other countries account for a balance of sales of slightly less than $1 million.

By types of securities, Canadian securities show a net sales balance of $9.2 millions for the nine months, largely of bonds and debentures as there was a slight balance of repurchases of Canadian stocks. Net sales of United States securities, largely stocks, amounted to $14.6 millions.

How this trade in securities has been divided between Canada and other countries, both by nationality and class of securities, for the nine months ended Sept., 1940, is shown by the following table:

	United States Sales to $000	United States Purchases from $000	United Kingdom Sales to $000	United Kingdom Purchases from $000	Other Countries Sales to $000	Other Countries Purchases from $000
Canadian securities, total	55,337	44,566	6,093	8,212	2,202	1,598
Bonds and debentures	40,081	28,343	2,350	3,949	930	829
Common and preference	15,026	16,022	3,735	4,258	1,271	769
Other securities	229	201	9	5	1	....
United States securities, total	31,608	17,368	364	34	104	61
Bonds and debentures	3,189	3,141	3	....	44	27
Common and preference	28,373	14,222	361	34	60	33
Other securities	52	....	....	....	....	....
United Kingdom securities, total	725	641	395	69	....	....
Bonds and debentures	642	629	358	69	....	....
Common and preference	75	12	37	....	....	....
Other securities	7	....	....	....	....	....
Other countries securities, total	1,492	897	57	6	441	132
Bond and debentures	1,253	887	45	6	440	131
Common and preference	237	10	12	....	1	1
Other securities	1	....	....	....	....	....
Short-terms (1 years or less)	26	15	....	51	....	....
Unspecified bonds and debs.	2,640	3,010	44	21	....	....
GRAND TOTAL	91,827	66,492	6,953	8,393	2,747	1,791

Hamilton Cotton Extra Biggest on Record

The Hamilton Cotton Co. has declared an extra of $1.25 per share on the $2 preferred stock, payable along with the regular quarterly dividend of 50 cents per share on Jan. 2, next, to shareholders of record Dec. 14. Arrears following this payment will be reduced to $4 per share from $5.25 on Oct. 1. The Jan. 2 payment will be the largest on record.

Last previous payment was an extra of 25 cents together with regular 50 cents on Oct. 1. Dividend payments in 1940 totalled $2.75 per share, compared with $2 in 1939 and $2.50 in 1938.

Canada hits her stride!

With grim determination this young and virile nation dons her armour ..... buckles on her sword. From coast to coast the tempo of Canada's war effort accelerates. Tanks, planes, shells, foodstuffs and equipment of every kind are being rushed and massed for victory. Canada means business.

Personal sacrifice must match this national effort.

Yours is the duty of providing the dollars so vital to Canada's war needs. Yours is the duty to **save** ..... that you may be ready and able to lend your money to the nation when the call for money comes.

Money, no less than men and machines, is a decisive factor in this war. Thrift is a national necessity.

Save for Victory

THE ROYAL BANK OF CANADA

Bond Markets

Turn to "Baby" Bonds For War Financing

Emphasis Shifted From War Loans — New Budget Further Postpones Canadian Need For United States Credit

The emphasis of war financing has been shifted by Ottawa from bonds to savings certificates, with the launching on a much larger scale of the campaign for the sale of the latter. War loans have been shoved to the background for what Ottawa hopes will be at least six months. But it is probable the date of the next war loan depends to some extent upon the degree of success in the sale of "baby" bonds.

The new war budget brought down by Finance Minister Ilsley this week suggests that Ottawa plans to postpone the need for credit from the United States. A loan is regarded as an ultimate necessity to cover the increasing adverse balance resulting from the heavy Canadian war purchases in the U.S., but Ottawa policy consistently has been designed toward postponing this.

Demand has been heavier for high-grade government bonds. The peg of 98⅜ on the second war loan still remains, but traders see this soon being lifted. The provincial issues have turned quieter, while the corporation bond market is showing little activity, with price changes mixed. The City of Quebec issue offered last week has received a good response and has been pretty well cleaned up.

* * *

Hydro Financing

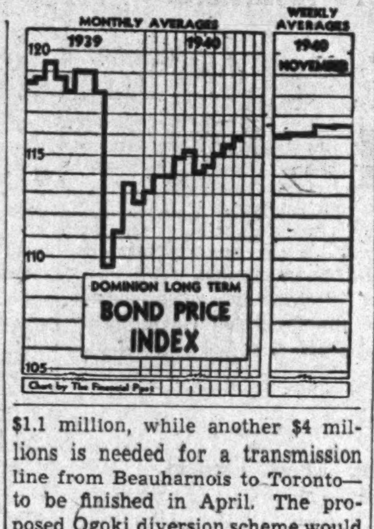
With the bond markets virtually clear of all provincial refunding for the next six to eight months and the third war loan postponed about as long, the only refinancing of importance left to be done is the provincially guaranteed Ontario Hydro maturities. Total of $15 millions fall due Mar. 2, next, and another $3.2 millions in June.

The Hydro is anxious to get away from its provincial guarantee — to stand on its own feet. So if it decides to take advantage of the wide open markets in the first half of 1941 to do some public financing, the offering may be minus the usual guarantee. Hydro officials are busy now arranging their 1941 financing plans.

* * *

Heavy Needs

In addition to the maturities, they also have to consider the possibility of new money for capital expenditures. A 55,000 h.p. plant at Madawaska—now under construction—is costing about $5.5 millions for plant and $1.5 million for storage. The new head office building in Toronto, now about complete, is costing about $1.1 million, while another $4 millions is needed for a transmission line from Beauharnois to Toronto—to be finished in April. The proposed Ogoki diversion scheme would cost $5 millions.



Part of the maturities might be taken care of by the sinking fund. But some private financing or bank loans might be arranged—in fact, these avenues are understood to be under consideration. On the other hand, with markets free of other heavy offerings and receptive to new issues, it is quite likely some public money may be sought.

* * *

Channel, Not Source

The responsibility of banks to the Dominion Government's war financing programme was explained at the annual meeting of Bank of Montreal shareholders this week. G. W. Spinney, joint general manager, explained that "in the matter of wartime public borrowing, our facilities can . . . best be used as a channel rather than as a source of funds."

To this end, Mr. Spinney reports, special facilities have been provided for the purchase of savings certificates as well as war loan bonds. Total of 47,000 individual subscriptions to the two war loans were received through Bank of Montreal branches. This was exclusive of certain clients' subscriptions solicited by special committees.

* * *

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 116.5 for the week ended Nov. 28 was up 0.1 point from the previous week. It was 3.2 points higher than in the same week of last wear, and up 0.4 point from the corresponding week of last month.

DOMINION OF CANADA
Long-term Bond Index

	Weekly average Nov. 22-28	Preceding week Nov. 15-21	Weekly average year ago
Price	116.5	116.4	113.3
Yield	70.3	70.4	74.5

Bond Sales

Dominion Treasury Bills

Yield of 0.656% is reported on $40 millions Dominion Treasury Bills dated Nov. 29, comparing with 0.636% for the previous issue dated Nov. 15. The Nov. 29 issue was sold at an average price of 99.83673, compared with 99.84178 for the Nov. 15 issue.

Current issue is to redeem $40 millions dated Aug. 29.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	6%	1942	Dec. 31	105
Drilling Cont.	5½%	1943	Jan. 15	100
Eastern Car	†6%	1952	Jan. 1	105
Mississippi R. Pwr.	5%	1951	Jan. 1	105
Nan.-Dun. Util.	*5½%	1964	Jan. 2	104
United Steel	6%	1954	Jan. 1	102½
Viau	6½%	1946	Jan. 1	101½

†Drawn by lot $44,000.
*For sinking fund $7,000.

Stock Issues:				
Stand. Steel	Pref.		Jan. 2	†50

†Plus accrued dividend.

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Alberta Shows Gain in Surplus

Increase Arises From Lower Relief Costs, Liquor Control Profit

Province of Alberta reports gains in revenue and expenditure in the six months ended Sept. 30, compared with the corresponding period last year.

An overall cash surplus of $797,496 is shown for the period, against a surplus of $182,600 in the same period last year. Improvement of $614,896 is attributable chiefly to lower net payment for unemployment relief and to an earlier transfer of profits by the Alberta Liquor Control Board during the current period.

Relief Payments Down

Ordinary cash receipts total $13.1 millions, an increase of $688,024, while cash payments increased by $756,242 to $10.1 millions. Net payments on unemployment relief decreased by $460,606 for the six months period to $685,077. Net capital expenditure dropped $22,508, to $1.6 millions.

Tax revenue for the period increased $254,952, to $5.5 millions, while licenses and fees were up $253,544 to $4 millions. Net profit of the Liquor Control Board was up only $2,305, but $950,000 was remitted to the Provincial Treasurer, an increase of $399,805 over the same period last year.

Province's Debt Rises

Net funded and unfunded debt at Sept. 30 totalled $148.2 millions, an increase of $360,262 from March 31, 1940. Funded debt declined $36,417, due to purchase and cancellation of registered stock. Savings certificates outstanding decreased by $300,105, to $5.1 millions, but book value of cash and investments decreased by $969,609 to $2.6 millions.

CBC Reports Higher Surplus

Capital Expenditures Heavy Last Year While Services Are Expanded

Canadian Broadcasting Corp.'s operations in the year ended March 31, 1940, resulted in a net addition to operating surplus of $253,990 compared with $357,454 for the preceding year. Balance sheet shows an increase in cash to $456,558 while $500,000 of Dominion 4½% bonds, due 1940, were held. Fixed assets are carried at $2.1 millions against which depreciation reserves of $685,444 have been provided. In addition there is a reserve of $400,000 for renewals and replacements.

Book value of fixed assets was increased by $613,792 last year, due largely to completion of new transmitters in the Maritimes (CBA) and in Saskatchewan (CBK) and expenditure at Marieville, Que. (CBM). Major capital expenditures are financed by loans from the Dominion, ordinarily repayable out of current revenue over 10 years. Total loans of $1¼ million have been received to March 31 last of which $100,000 had been repaid.

The annual report shows that operating costs over the past three years have been proportioned as follows:

Operating Costs

	1939-40	1938-39	1937-38
	%	%	%
Gen. & admin.	4.65	4.86	6.77
Operations	17.45	16.73	14.03
Programmes	48.95	50.77	50.27
Depreciation	9.04	7.05	4.93
Loan interest	0.68	0.59	....
	100.37	100.45	100.77
Less: Inventories	0.37	0.45	0.77
	100.00	100.00	100.00

During the past year the CBC presented 29,889 different broadcasts which occupied a period of over 10,473 broadcasting hours, an average of over 28½ hours a day. This compares with 18,810 broadcasts in the year ended March 31, 1939, covering 7,021 hours or an average of 19 hours daily. Part of this extension was due to the war but other factors contributed.

Two new 50,000 watt transmitters were completed during the past year, one at Sackville, N.B., and the other at Watrous, Sask.

Income and Expenditures
Years Ended March 31

	1940	1939
	$	$
Income:		
License fees	2,906,605	2,652,186
Commer. broadcast.	700,868	584,611
Subsid. hook-ups	72,654	57,069
Miscellaneous	24,485	17,574
Royal visit grant	47,449	......
Total income	3,752,062	3,311,441
Less expenditures:		
Programmes	1,540,658	1,393,018
Station network	685,309	588,306
Engineering	610,482	481,122
Administration	162,940	139,827
Commercial	108,120	77,909
Press & information	63,540	67,087
Interest on loans	23,837	16,907
Depreciation:		
Buildings 5%	32,309	202,814
Equipment 20%	283,966	
Total expenditures	3,511,160	2,966,991
Less: Stores invent.	13,088	13,005
Net expenditures	3,498,072	2,953,986
Net oper. surplus	253,990	357,454
Add: Prev. oper. surp.	494,628	149,206
Less: Adjustments	......	3,488
Exp. applic. pr. yrs.	......	8,544
Trans. res. renewals and replace.	400,000	......
Surplus balance	348,619	494,628

Working Capital

	1940	1939
	$	$
Current assets	1,193,774	434,712
Current liabilities	221,823	106,591
Working capital	971,951	328,121

Newfoundland Imposes Import Tax of 7½%

Newfoundland has announced a special war revenue tax of 7½% ad valorem to be applied immediately on all goods imported into Newfoundland from all but sterling exchange countries. This duty will apply to Canadian and United States goods. Exemptions include alcoholic beverages, already subjected to war tax; sugar, tobacco and cigarettes.

Curtailment of Government expenses totalling $615,000 was also announced by Finance Commissioner J. H. Penson.

Company Reports

Trinity Bldg.

Profit before depreciation of $2,936 for Trinity Building Ltd., Montreal, for year ended Sept. 30, last, was more than twice the figure for the previous 12 months. Depreciation of 75% was provided during the year, compared with 50% in the previous 12 months and net loss of $249 was down from $743 in 1938-39.

Income and Deficit Account
Years Ended Sept. 30

	1940	1939
	$	$
Rental revenue	15,053	15,325
Less: Taxes	3,278	3,224
Oper. expense	5,326	6,194
Manag. expenses	2,108	3,043
1st mtge. int.	1,354	1,379
Loan int.	51	105
Profit before deprec.	2,936	1,380
Less: Deprec.▲	3,185	2123
Net loss*	249	743
Add: Prev. deficit	6,724	5,981
Deficit forward	6,973	6,724

*Before interest on 4% gen. mtge. bonds.
▲At 75% of regular rates in 1940; at 50% in 1939.

Honey Dew

Honey Dew Ltd. reports net profit of $86,192, before all charges but income taxes, for fiscal year ended Oct. 31, 1940, more than three times higher, than figure of $28,262 for the previous 12 months. Sales were substantially higher, and this was partially offset by increase expenses and provision for depreciation.

Sales in the final quarter of the year at $477,856 were up over $100,000. Expenses and depreciation also were higher, with net before taxes ahead of the same quarter in 1939.

The company has declared a dividend of 50 cents per share, payable Jan. 2, next, to shareholders of record Dec. 14. Similar payments were made July 2 and Oct. 1 of this year.

Profit and Loss Account
12 Months Ended Oct. 31

	1940	1939
	$	$
Sales	1,433,668	1,179,274
Add: Other income	771	1,341
	1,434,439	1,180,615
Less: Expenses	1,260,146	1,087,631
Operating profit	174,293	92,984
Less: Interest	14,233	6,733
Depreciation	73,868	57,989
Net profit before taxes	86,192	28,262

Three Months Ended Oct. 31

	1940	1939
	$	$
Sales	477,856	376,017
Add: Other income	771	1,892
	478,627	377,909
Less: Expenses	403,488	330,409
Operating profit	75,139	47,500
Less: Interest	5,355	2,244
Depreciation	27,870	15,824
Net profit before taxes	41,914	29,432

Dryden Paper

Substantial improvement in operations is reported by Dryden Paper Co. for the year ended Sept. 30, operating earnings increasing from $168,593 to $313,568.

Before providing for depletion and depreciation earnings of $215,257 were shown against $97,251 in the preceding year. Because for several years the company's earnings have been insufficient to meet normal depreciation, the company has written off the remaining earnings, after bond interest, to depreciation of plant and timber lands. Depreciation of $200,817 was allowed in the 1940 fiscal year, against $89,864 in 1939.

Net working capital increased from $487,022 to $556,290. Accounts and bills receivable, less reserve, dropped by $26,127 to $147,983, while bank loan of $25,000 was eliminated during past year.

F. A. Sabbaton, president, announces that the company has authorized construction of a steam turbo-generator unit, which will be in operation soon. He explained erection of this unit was necessitated by abnormally low precipitation in the Dryden district in the past 18 months and the impossibility of developing normal power from the company's four hydro-electric plants. This factor has materially reduced productive capacity of both pulp and papers.

Cost of the new unit has been financed without additional borrowing.

The company has entered into an agreement with the Ontario Hydro-Electric Commission for delivery of a further quantity of electrical energy. With these two new sources of energy, Mr. Sabbaton states, the company will be able to bring its production up to full capacity. He states regarding earnings prospects:

"With maintenance of present pulp and paper prices and the expectation of increased production, due to relief of existing power shortage, it is hoped that in the coming year your company may be enabled to show substantial increased earnings."

Income and Surplus Account
Years Ended Sept. 30

	1940	1939
	$	$
Operating earnings	313,568	168,593
Less: Exec. sals.	25,220	24,800
Directors' fees	420	380
Net oper. earnings	287,928	143,433
Add: Other inc.	2,109	31,739
Net earnings	290,037	175,172
Less: Depletion	14,440	7,388
Depreciation	200,817	89,364
Bond interest	74,780	77,920
Net profit	nil	nil
Surplus forward	nil	nil
Working Capital		
Current assets	641,962	571,811
Current liabilities	85,672	84,789
Working capital	556,290	487,022

Amer. Cyanamid Pays Stock Div.

American Cyanamid Co. has declared a special dividend of $1.50 a share on its classes A and B common stocks, payable Dec. 20, 1940, to shareholders of record Dec. 6. This payment will be made in shares of the company's 5% cumulative convertible $10 par preferred stock, third series, at par. This means that one share of preferred will be given for each 6-2/3rds shares of common, while fractional shares will be adjusted in cash.

Regular quarterly dividends on the preferred and common stocks will be paid Jan. 2, 1941, to shareholders of record Dec. 12, at the regular rate of 12½ cents on the preferred and 15 cents on the common.

Last year in December, the company declared a stock dividend equal to $1 a share in preferred stock on its commons, the higher distribution this year apparently reflecting the substantial gain in earnings indicated from the 9-month statement.

Southern Canada Power

Southern Canada Power Co.'s gross earnings in the year ended September 30 at $2.5 millions show an increase of nearly $300,000 over the previous year. Due to higher operating expenses, including a 60% increase in purchase power resulting from low water conditions and an increase of over $150,000 in taxes, net profit was slightly lower at $774,446. This compares with $780,474 in 1938-39. Net was equal to 87 cents a share on the common stock, as against 89 cents the year before.

Balance sheet figures show net working capital at $2,184,950 against $2,690,499 a year ago. Capital expenditures in excess of $650,000 were made during the fiscal year on account of new construction and equipment, which outlay, together with bonds retired, explains the reduction in cash position from $604,512 to $162,214. Market value of the company's investments at the year end was $2,179,139 against a book value of $2,107,021.

Income and Surplus Account
Years Ended Sept. 30

	1940	1939
	$	$
Electric revenue	2,564,830	2,272,183
Misc. revenue	141,419	147,773
Gross earnings	2,706,249	2,419,956
Less: Exp., taxes, etc.	1,333,023	1,064,160
Bond interest	285,666	290,844
Depreciation	309,513	280,878
Bad debt des.	3,600	3,600
Net profit	774,447	780,474
Less: Pfd. divds.	425,334	425,334
Common divds.	319,977	319,804
Surplus for year	29,136	35,336
Add: Prev. surplus	438,625	403,289
Surplus forward	467,761	438,625
Earn. on pfd.	$10.92	$11.00
Earn. on com.	0.87	0.89

Working Capital

	1940	1939
	$	$
Current assets	2,951,339	3,383,062
Current liabilities	766,389	692,563
Working capital	2,184,950	2,690,499

National Light

Slightly higher earnings, before income taxes, amortization expenses and other interest, are reported by National Light & Power Co., Moose Jaw, Sask., for the first nine months of 1940, compared with the same period of 1939. Bond interest requirements are heavier, and times interest was earned after depreciation at 1.78 is down from 1.83 times.

Earnings Statement
Nine Months Ended Sept. 30

	1940	1939
	$	$
Operating earnings	455,811	433,523
Less: Oper. expenses	208,005	191,324
Net oper. revenue	247,806	242,199
Add: Misc. income	9,324	6,204
Net earnings	257,130	248,403
Less: Depreciation	69,255	69,809
Bond interest	105,298	97,739
Net profit*	82,577	80,855

*Before income tax, amortization expenses, other interest, etc.

Times Bond Interest Earned:		
Before depreciation.	2.44	2.54
After depreciation.	1.78	1.83
Output in kw.h.	24,792,363	21,283,043

Ramsden Park Apts.

Expenses and earnings of Ramsden Park Apartments Ltd., for year ended Oct. 31, last, were maintained at practically the same level as in the previous 12 months. Bond interest totalling 3% was paid during the year, compared with 4% in the 1938-39 period, so the net result was a smaller loss.

Income and Deficit Account
Years Ended Oct. 31

	1940	1939
	$	$
Rental income	15,223	15,361
Add: Interest	13	24
Total income	15,236	15,385
Less: Exps. & taxes	9,247	9,000
Operating profit	5,939	6,385
Less: Bond int.*	4,605	6,160
Depreciation	3,195	3,195
Net loss	1,811	2,970
Add: Prev. deficit	6,585	4,390
Prov. for sink. fund	1,384	225
Less: Tsf. from s. f. res.	225	485
Prof. on bds. red.	275	515
Deficit forward	9,280	6,585

*Paid at rate of 3% in 1940; 4% in 1939.

Port of Montreal Revenue Soars

Collections in November Established New Record for the Dominion

From Our Own Correspondent

MONTREAL.—Customs and excise collections at the Port of Montreal in November set a new record for any port in the history of the Dominion. The amount collected totalled $15.2 millions, a gain over October of $53,591.

Following is a record of monthly collections from 1938 to date:

	1940	1939	1938
	$	$	$
Jan.	9,749,980	6,851,440	7,246,407
Feb.	8,448,913	6,346,764	6,862,986
Mar.	9,349,524	7,173,792	7,627,085
Apr.	10,783,964	6,825,972	8,352,333
May	13,198,248	9,726,807	9,169,744
June	10,857,321	8,645,623	9,348,780
July	14,244,682	8,414,747	8,609,809
Aug.	12,685,368	8,755,204	9,124,422
Sept.	12,356,446	10,023,909	8,721,515
Oct.	15,163,456	11,122,056	9,420,756
Nov.	15,217,047	11,396,928	9,449,538
Dec.	....	9,256,407	7,635,650
Total	....	104,741,649	101,569,038

Winnipeg Electric

Gross earnings of Winnipeg Electric Co. increased $12,431 in October over the same month last year to $611,081, and net operating earnings increased $3,745 to $261,774. But an increase of $22,842 in charges, mainly depreciation allowance, contracted net income to $28,780 from $47,877.

Operating Statement

October:	1940	1939
	$	$
Gross earnings	611,081	598,650
Oper. exp. & taxes	349,307	340,621
Net oper. earnings	261,774	258,029
Fixed chgs. & deprec.	232,994	210,152
Net income*	28,780	47,877

*Before providing for interest on series B bonds or redemption of contingent certificates.

Canadian Breweries

Canadian Breweries Ltd. reports preliminary earnings statement showing net profits equivalent to $3.22 a share on its preference for the year ended Oct. 31, 1940, compared with $3.18 for the preceding year.

For the three months ended Oct. 31 this year, last quarter of the company's year, net earnings, subject to provision for minority interests and income taxes, amounted to $301,775 compared with $376,830 for the corresponding quarter of 1939.

Balance sheet at the end of October this year shows cash down to $292,858 from $469,468. Offsetting this is disappearance of the bank loan which amounted to $229,929 a year ago. Investments are up about $200,000 at $541,019. Accounts payable are up $160,000 at $711,372. Issuance of additional debentures during the year brought funded debt to $2,025,000 from $1,700,000. Minority interest has declined to $842,935 from just over $1 million.

Consol. Profit and Loss Account
Years Ended Oct. 31

	1940	1939
	$	$
Oper. profit after all taxes, except income	1,427,192	1,203,957
Other income	68,948	93,354
Net earnings	1,496,140	1,297,311
Less: Interest	123,508	102,490
Depreciation	471,807	449,683
Inc. tax, prov.	340,200*	165,044
	560,625	580,094
Minority int. in net	34,180	60,806
Net profit	526,446	519,288
Earned per Sh., Pref.	$3.22	$3.18

*Calculated at prevailing income tax rates subject to determination of standard profits.

Working Capital

	$	$
Current assets	3,098,369	2,890,994
Current liabilities	1,060,202	974,528
Working capital	2,038,167	1,916,466

Dominion Gas & Electric

Operating revenues for Dominion Gas & Electric Co. for 12 months ended Sept. 30 last, are off a shade from the previous 12 months, while operating expenses are fractionally higher. The company's fiscal year ends Dec. 31.

Due to substantial increase in charges of subsidiary companies and the discount on Canadian revenues, however, net profit of $259,906 shows a substantial reduction from $479,022 in 1938-39.

Dominion Gas is a holding company, subsidiaries of which service Alberta and Saskatchewan communities with utilities.

Consolidated Income Account
12 Mos. Ended Sept. 30

	1940	1939
	$	$
Operating revenue	4,481,076	4,305,167
Less: Oper. expenses	2,527,909	2,513,737
	1,953,168	1,991,430
Add: Other income	18,634	23,083
Net earnings	1,971,802	2,014,513
Less: Depr. & amort.	405,068	429,779
Prior chgs., subsids.	851,605	756,567
Taxes & other exps.	82,439	69,601
Bond interest	256,522	256,522
Other interest	17,856	17,820
Disct. on Can. curr.	98,405	5,201
Net profit	259,906	479,022

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Viau Ltd. Calls Issued Bonds

Balance of 1926 Issue Called for Redemption on January 1

From Our Own Correspondent

MONTREAL. — Viau Ltd. has called for redemption on Jan. 1 next at 101½, plus accrued interest, all of its outstanding 20-year 6½% first general mortgage bonds, due Jan. 1, 1946. At the end of last January there was $295,300 principal amount of these bonds outstanding.

In 1926 the predecessor company made a closed issue of $400,000. Through operation of the sinking fund the amount outstanding has been reduced to below $300,000.

It is understood that there will be no refunding operation in connection with the redemption of these bonds, as the amount in the hands of the public is very small and can be taken up by the company itself.

Bond Tenders

11 a.m. Dec. 9, Hamilton—$338,897, 2½ and 3% serial debentures, maturing 1942 to 1946 for floating indebtedness; $149,506 3% for storm sewers and $157,891 3% for waterworks extension.

Jobless Insurance Committee Named

Dr. W. A. Mackintosh, economic adviser to the Dominion Department of Finance, has been named chairman of the Advisory Committee to the Unemployment Insurance Commission. This committee will make a report annually to the Government on the financial standing of the insurance fund and will also make such recommendations as it considers necessary to ensure that the fund will be sufficient to discharge its liabilities.

The committee is composed as follows:

Dr. W. A. MACKINTOSH, Chairman.
MURDOCK M. MACLEAN, Ottawa.
VICTOR ROY SMITH, Toronto.
ESTELLE HEWSON, Windsor.
J. FRANK MACMILLAN, Edmonton.
PERCY BENGOUGH, Vancouver.

Algoma Steel Corp. Pays $2.50 on Pref.

Algoma Steel Corp. has declared a dividend of $2.50 a share on its preference stock, payable Jan. 1, 1941, to shareholders of record Dec. 15.

Dividends on this stock became cumulative from Jan. 1, 1940, and have been paid to date. An initial dividend of $1.25 a share was paid May 15, last, followed by a second payment of the same amount on July 1.

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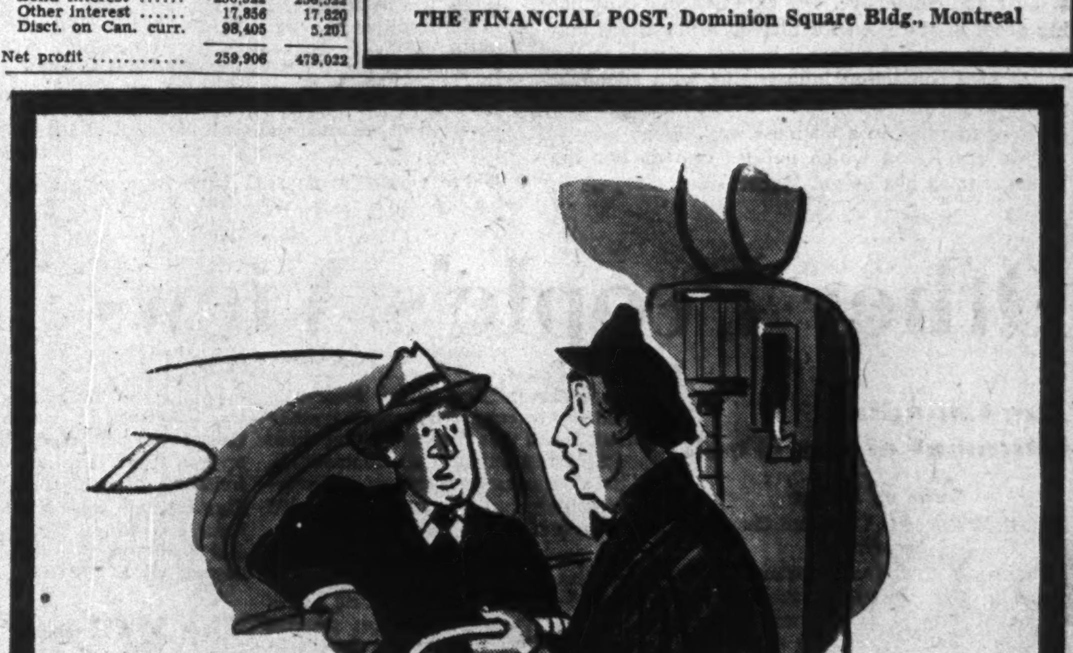

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The Editorial Page . .

Jobless Insurance Watchdogs

The Government has made some wise appointments in naming its new advisory committee of the Unemployment Insurance Act.

This committee is of very great importance to industry and to taxpayers.

Under the Unemployment Insurance Act, the advisory committee is given wide powers and responsibilities to probe and report on the financial solvency of the Unemployment Insurance fund. This fund involves payments by the Government, by industry and by employees in the neighborhood of $70 millions annually. It will be the committee's responsibility to examine the financial solvency of the Act and to report on the position of the fund from time to time. British experience shows the necessity of such a commission and the importance of strong personnel.

Dr. Mackintosh, who has accepted the chairmanship of the committee, is one of Canada's ablest and most experienced economists. Apart from his academic prowess, he has been thoroughly schooled in ways of government and politics. One of his most important public services, apart from his present responsibilities as economic adviser to the Department of Finance, was his splendid work as a member of the Purvis Employment Commission.

From an actuarial point of view the naming of Victor R. Smith, general manager of the Confederation Life, is of wide significance. As chairman of the legislation committee of the Canadian Life Insurance Officers' Association, Mr. Smith represented that body before the House of Commons enquiry into the Unemployment Insurance Act last summer. He is one of Canada's ablest insurance executives.

One of the first tasks the new advisory commission should set for itself is to examine the actuarial soundness of the Act as it now stands. When the Act was being discussed in Parliament, doubts were expressed as to the financial soundness of the scheme. Before any contributions are sought from employers and employees these doubts must be set definitely at rest.

Mr. Baruch Speaks

Recently Bernard Baruch shared his wide and successful Great War experiences with the 1940 National Defense Commission now charged with mobilizing industrial production in the U.S. for defense and rearmament needs. Mr. Baruch, who was chairman of the U.S. War Industries Board, 1917-18, said:

> "You have done a good job and deserve the thanks of the country. But, bluntly, gentlemen, it is still far short of what has to be done. The simple fact is that neither present production nor plans for the future output are meeting our defense needs and the requirements of the British."

Mr. Baruch went on to discuss the weaknesses of the present defense set-up. These touch Canada's armament problem at at least one vital point—the lack of a single competent, non-political administrator with authority to get results.

In the U. S., able industrialists have been appointed to the Defense Commission. Yet not one of them has been given anything but "advisory" powers.

In Canada, a cabinet minister, Hon. C. D. Howe, still attempts the impossible dual role of administrator and policy-maker. He has named many able men to assist him but retains the general managership for himself in addition to his parliamentary and cabinet responsibilities.

The record of Bernard Baruch in the Great War is clear and conclusive. His experience is convincing proof of the need for placing a munitions and supply programme where it belongs, namely in the hands of a competent industrialist with adequate power to get results. Supply is a business job and must be handled in a business way.

This is a lesson which neither Canada nor the United States has as yet learned.

Our Platform For Canada

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy, in so far as consistent with an all-out war effort.*
5. *Elimination of public and private waste.*
6. *A national programme for post-war employment and relief problems, along lines of Sirois report.*

Winning the war has become the focus, for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree, this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice which in turn will reduce the need for regimentation and compulsion.

Unanimity Not Required

At the annual meeting of the Imperial Bank last week, President A. E. Phipps expressed the view that if the Rowell-Sirois report were adopted "the approval of all the provinces is required; in other words the refusal of any one province could wreck the whole scheme."

Were this statement literally true it would mean that even Prince Edward Island could block the Sirois plan if it wished to disapprove. This was the argument put forward by those who supported the "compact" theory of Confederation. But it is an argument now generally discarded as unsound and untenable.

If Ontario, for example, were to oppose the Rowell-Sirois plan the effect would be highly significant. But this would be because of the vital importance of that province in the economic, fiscal and political scheme of things—not because of the political unanimity argument which Mr. Phipps's remarks seem, unfortunately, to suggest.

Helping Folks to Help Themselves

Speaking to the American Municipal Association at its annual meeting in Chicago recently, Hon. Eric Cross, speaking as Minister of Public Welfare and Municipal Affairs in Ontario, boasted that municipalities in his province "are in a sounder position than they have been at any time during the last fifteen years."

> "Our municipal per capita debt levy," he said, "is at the lowest figure since 1920 and our municipal per capita levy is also at the lowest figure in twenty years."

Mr. Cross reviewed for his U. S. audience the steps taken by the province to assist municipalities in putting their financial houses in order. The record of his department's achievements in this respect has often rated attention in these columns.

But Mr. Cross wisely concluded his address by stressing the fact that it is under freedom that the human spirit flourishes and makes its best contribution to society.

> "For that reason," he pointed out, "we prize the fact that it is the responsibility of our citizens to manage their own affairs of government.
>
> "For example, in our smaller municipalities particularly, there is scarcely an outstanding citizen who at one time or another has not taken an active part in the local government of his community. He serves his term with satisfaction and leaves it a better citizen for the experience. And so the tradition of a people grows in the ways of self government. That makes for a tough fibre in a democracy and prepares the way for it to function in our legislative assemblies and parliaments—for it is surely true that in our processes of local government we mold and form the spirit of a free people."

There would be no real democratic progress if municipal departments such as the one administered until this week by Mr. Cross were to get results merely by "hand-outs" of provincial funds or by wielding the big dictatorial stick of authority. The real hope for municipal government in Ontario, or any other province, is in helping communities to help themselves. It lies in the encouragement of public-spirited, self-reliant administration in big town and little hamlet alike.

During the years he held cabinet office, Mr. Cross did a great deal to help Ontario municipalities help themselves. He also gave splendid direction and leadership in the fields of public welfare and municipal affairs. He was an administrator who brought strength and character to his public office.

"No Longer Functions" Indeed!

The C.I.O. still functions in Canada.

A short time ago the Canadian Congress of Labor was set up. It took in the C.I.O. unions and some "all-Canadian" labor bodies.

Officials of the new Congress insist that it is a wholly independent organization of Canadian workers. Canadian locals of C.I.O. unions, they say, have been given complete freedom to run their own affairs.

When The Financial Post suggested that the new Congress was a "cloak" for John L. Lewis and his C.I.O., the Canadian Congress officials objected. "The C.I.O. no longer functions in Canada," said their official organ.

"No longer functions!" Let us look at the evidence.

The C.I.O. union in steel is the Steel Workers Organizing Committee. It publishes a paper called "Steel Labor." A "Canadian" edition is published but it carries the date-line of Indianapolis. The latest issue is filled with news of S.W.O.C. "successes" in Canada, such as the agreement with Dominion Iron and Steel and the majority vote of Algoma Steel workers to join the S.W.O.C.

Of the vote at Algoma the paper says "by this action, S.W.O.C. in Canada gains almost 3,000 additional members." The Algoma union was formerly an independent affiliate of the old All-Canadian Congress of Labor. Now it is part of the C.I.O.

Does that look as though C.I.O. no longer functions in Canada?

The same issue reports that "an intensified drive in Canada will be the result of new organizational plans approved by the international headquarters of S.W.O.C." The full time staff of S.W.O.C. will be increased immediately.

Does that look as though the Canadian locals were "wholly autonomous" with "complete control over their policies and activities in Canada," as claimed by Congress officials?

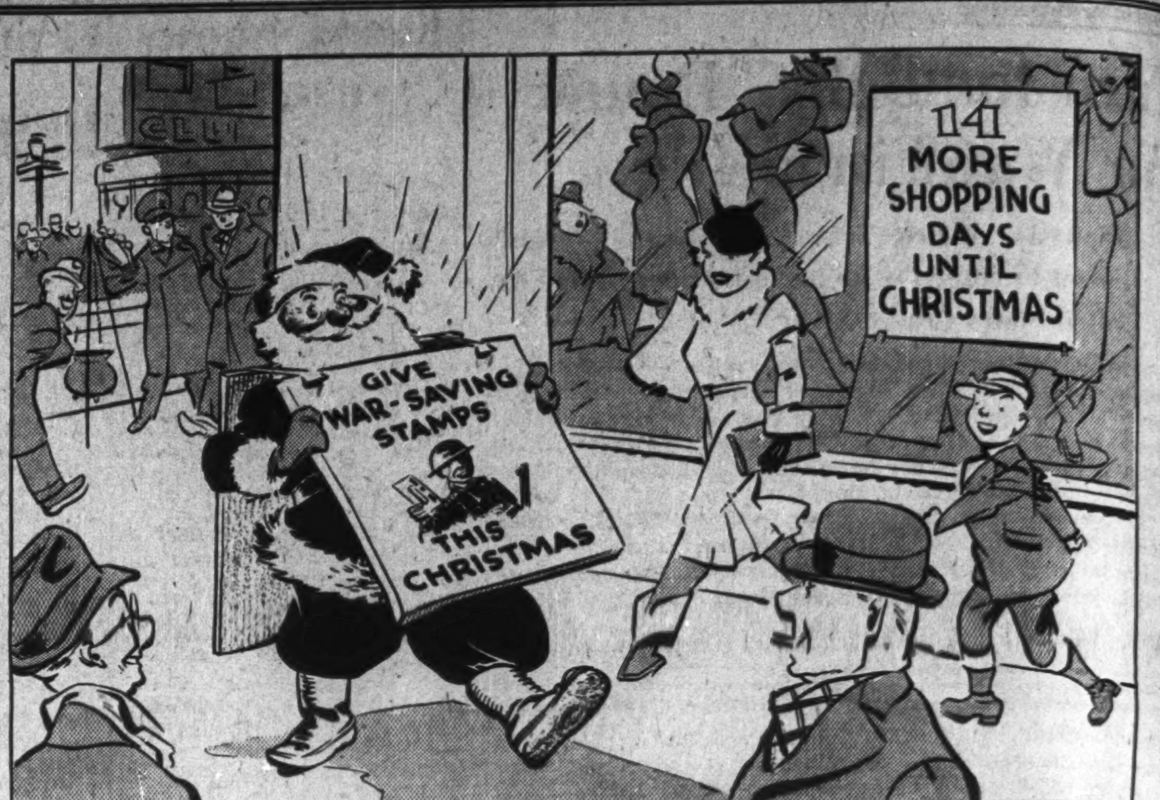
The truth of the matter is that the S.W.O.C. is the C.I.O.; and the C.I.O. is still influenced to a large extent by the bulldozing, red-tinged John L. Lewis, despite his recent retirement from the presidency. It was the S.W.O.C.-C.I.O. that wrote a black chapter in U.S. labor history when it resorted to violent and disruptive tactics in the "Little Steel" strike.

No amount of denials by the so-called "Canadian" Congress of Labor speak so clearly as the official organs of the C.I.O. in demonstrating that the C.I.O. is still in Canada. At the moment it is taking advantage of the war effort to increase the number of Canadian workers in its control.

Editorials in Brief

At the time Canada was being called on to do without luxury items from the United States and pay higher prices for similar articles manufactured in Canada, we received from England a county newspaper asking for 5,000 volunteers for blood transfusions.

Of course, our own meagre sacrifices are still far below what Canadians are willing to make.



A TIP FROM SANTA

—Cartoon by Grassick

Post-Scripts . . . . .

Job for "V. R."

Appointment of Victor R. Smith to the Advisory Committee of the Unemployment Insurance Commission brings to that body the services of a man who has a thorough grasp of the principles of insurance. He knows the problems that confront any insurance plan. He also knows the methods that must be followed in their solution to ensure soundness and stability.

V. R. SMITH

His counsel should be of tremendous value in getting the new Government undertaking away on the right foot.

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V. R. Smith's experience in the insurance business goes back over 32 years.

Born in Port Hope, 57 years ago, on Nov. 23, he won the Prince of Wales prize in mathematics at the University of Toronto. He graduated in 1905 and worked in an accountancy office until 1908 when he joined the actuarial department of the Confederation Life Association.

In the 32 years since then, he has advanced through different stages to become general manager and a director of his company.

He has been an active member of the Canadian Life Insurance Officers' Association where he has labored indefatigably and aggressively for the betterment of the business as a whole.

Outside insurance matters he has devoted most of his spare time to the Canadian Club of Toronto of which he is a past president.

Those who have worked with him say he throws all his energies unstintingly into any work he undertakes.

In getting its jobless insurance scheme under way, the Dominion Government may therefore rest assured it will have the full benefit of the ability which has won for V. R. Smith the degrees of M.A., A.I.A., A.A.S., F.A.I.A.

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Dr. Fred Tisdall

Looking over the budget this week we were curious to see that Hon. J. L. Ilsley is still going to let us buy canned grapefruit juice from the U. S. This item is exempted from the general ban on imported canned goods.

Seeking a reason, we asked Canada's foremost nutrition expert, Dr. Fred Tisdall. He says canned grapefruit juice is the cheapest known source of Vitamin C. For one cent you can buy 17.4 milligrammes of Vitamin C this way. This compares with only 14.1 mg. in canned orange juice and 13 mg. in a cent's worth of fresh oranges or fresh grapefruit. One cent's worth of domestic canned tomato juice has 8.3 milligrammes.

Whether Dr. Tisdall had anything to do with the Government's decision or not, we do not know. We suspect that possibly he did. At least he is playing an increasingly important part in guiding the nation's health and diet. He was instrumental in preparation of a pamphlet: "Food for Health in Peace and War," published recently by the Canadian Medical Association and distributed with the assistance of the life insurance companies in Canada and the Red Cross.

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Dr. Tisdall is chairman of the nutrition section of the C. M. A. He is on the staff of the Hospital for Sick Children, Toronto, and the Department of Paediatrics of the U. of T. His full-time job is director of the Nutritional Research Laboratories of the hospital and the university.

The members of his research staff are a group of brilliant, enthusiastic young men each one a practising doctor. In the morning these men do regular clinical work, like other doctors attached to big hospitals. In the afternoons they retire to their research laboratories, scattered through the rambling old headquarters of the Sick Children's Hospital at Toronto.

Or they may go next door to confer with their chief, Dr. Tisdall, who secretes himself behind one of the most unpretentious exteriors in Toronto—an ancient dwelling at 55 College Street, without so much as a name plate on the door.

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Behind these modest surroundings, brilliant work is being done.

Dr. Tisdall is not only chairman of the nutrition section of the Canadian Medical Association, he is also consultant to the Canadian Army. This gives him the rank of Major and obliges him to wear a uniform on his periodic visits to Ottawa.

Not long ago, he was asked by the Hudson's Bay Company to find ways and means of improving the diet and health of the thousands of company employees scattered at lonely outposts throughout the northern terrain. By questionnaires, by personal visits from two of his associates, and in collaboration with company officials, a mild revolution in northern eating habits is occurring.

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The method of solution was typical of the Tisdall technique. Dr. Tisdall knew it was not enough to learn what these men and their families were now eating and then draw up an "ideal" menu. The really big job was to get these people interested and enthused about finding better health through proper diet.

The result is found in a booklet "Your Food and Health in the North" which shuns all medical terms and by caricature, illustration and simple, commonsense logic drives home food lessons, menus and health hints in a form that any child can understand and enjoy.

• • •

Dr. Tisdall is a Huron County boy. He was born near Clinton, the son of a private banker. J. P. Tisdall was one of the last of a generation of men who made names for themselves by serving financial needs of their own town or hamlet. Tisdall's bank is still remembered by the old-timers throughout the community.

In 1916, Dr. Fred graduated in medicine and joined the Canadian army at Shorncliffe, under Sir William Osler. At war's end, he went to the famed Johns Hopkins institution, specializing in paediatrics—children's diseases.

Almost from the first he took an interest in nutrition. His mind kept turning always toward what he calls "the firing line."

Youngsters are sick—why?

How can we prevent it?

This led him to the conviction that food, diet, nutrition were the greatest factors of all in reducing sickness.

• • •

Dr. Tisdall's problems arise chiefly on "the firing line." He has no assistants who are purely laboratory workers. All of them have ward responsibilities. He and his associates are not merely interested in solving medical cross-word puzzles. They like tackling puzzles which fit into the pattern of everyday life.

Dr. Tisdall has a firing line of his own on which to study the agricultural end of food and health problems. He has his own farm north of Toronto and spends much time there all the year round.

He is convinced that if Canadians could be persuaded to reach for better health via the "protective" foods, many of the problems of Canadian agriculture would be solved and the market for Canadian farm goods would be greatly expanded.

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Secretary-treasurer

The Trades and Labor Congress of Canada is the federation of Canadian units of the international labor unions linked to the American Federation of Labor. It is fitting that its new secretary-treasurer should be a man whose antecedents and career are definitely international in character.

J. A. D'AOUST

Joseph Arthur D'Aoust has spent most of his 45 years in Canada, but he was born in Marrinette, Wisconsin, of French-Canadian parents who had settled there. His father followed his trade as papermaker throughout his lifetime, and when Arthur D'Aoust was 16 he followed in his father's footsteps. A year later his family returned to Canada, settling down in Hull, Que., where Mr. D'Aoust has lived ever since.

Soon after getting his first job in Canada, with the J. R. Booth Paper Co. at Ottawa, Mr. D'Aoust joined the International Brotherhood of Paper Makers. He took an active part in union affairs and has risen steadily in the organization. Within a year after he joined — when he was only 18 — he was elected corresponding secretary of the Hull local of the union and held this position for a number of years.

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He was only 26 when he was chosen fourth vice-president of the International Brotherhood of Paper Makers, and has continued in that post for the past 19 years. In 1930 he was appointed general Canadian French-speaking representative of the union, and named its official delegate to the Trades and Labor Congress.

When the Quebec Federation of Labor was formed in 1936 he became vice-president of that body and in 1939 served as its president. Last year also saw him elected vice-president of the Trades & Labor Congress of Canada.

This year he was doubly honored by the Congress. He was appointed to the National Labor Supply Council on nomination of the Congress, and at the 1940 convention of the Congress he was elected secretary-treasurer. He succeeds R. J. Tallon, who resigned the secretaryship to serve as labor representative on the Unemployment Insurance Commission.

Stop Me If . . . .

First Burglar: "Hey, let's get out of this. We've broken into the home of the heavyweight champion!"

Second Burglar: "Aw, don't let dat worry youse; he wouldn't fight for nothin' less dan a million dollars."

Other People's Views . . . . .

The Canadian Editorial of the Week

Guns or Butter

Prof. R. McQueen in Canadian Chartered Accountant

There are groups who seriously propound in high places that the war can be fought without savings and without taxation if only we were to adopt their particular brand of monetary reform and courageously implement it even in the midst of the struggle.

There are others who allege that it is not yet time for people to deny themselves the essentials to which they are accustomed and it is seriously argued that any limitation on the use, say, of motor cars will slow down the armament programme, presumably because there will be less activity and hence less income for taxation and war loans.

Both these arguments, propounded as they are by groups far removed from each other in the rest of their thinking, come down to a blunt denial of a proposition which is obvious to General Goering, viz., that in war it is a clear case of "guns or butter."

It is notable that the dictators in complete possession as they are of all the economic controls of their countries have no time for the vaporings of monetary reformers or the specious reasoning of particular vested interests. It is worth noting in passing too that the dictators who need pay no attention to the wailings of bankers, laborers or industrialists have found no other way of fighting a war than by shutting off all uses of resources other than those which provide subsistence and war requirements. It is not a vicious monetary system which prevents this from being a world of plenty but it is a shortage of economic resources that prevents it. This the dictators well know and it is time the democracies also realized it if we are to make an intelligent war effort.

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That luxuries should be dispensed with in wartime is obvious beyond need of proof and they should be dispensed with as quickly as there is use elsewhere in the war effort for the resources which produce them. That many necessities should also be cut down becomes equally obvious when it is considered that there should be restriction of all commodities, be they customary necessities or luxuries, which use materials and labor needed for the war effort.

The production of many customary necessities which use up our sources of steel and foreign exchange must be restricted . . . Once all resources are employed—and we are rapidly approaching that point—then it is a case of "guns or butter" for if you want to have the one you cannot have the other.

That these things have become evident is apparent from articles in the financial press and elsewhere. These articles indicate that the "guns or butter" proposition has become so obvious to the authorities that machinery must be at once set up to decide these matters of relative urgency in our war effort. Some machinery for deciding upon the magnitude of our war requirements and the relative priority of the various war projects is urgently required, for it is now clear that to put a thing on paper is not to produce it.

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There are just enough physical resources of labor and machines and materials to go around for every project which has been put on paper. Paper projects like paper money are meaningless once we have reached a stage of reasonably full employment.

We say "reasonably full" employment for there is no quick way of absorbing all the untrained unemployed of all ages into occupations requiring technical training and once this admission is made it seems that Canada is within close sight of full employment and we are in a realm not only of "guns or butter" but of "guns or airplanes or ships or butter." Half-built guns or ships or airplanes are of no use and yet that is what we will get unless there is some intelligent allocation of limited resources to the war effort.

There is reason in the request of these who ask some direction from the authorities with respect to individual expenditures and too little attention has been paid to the wish of the individual citizen to co-operate in any scheme of intelligent war behavior . . . It is to be hoped that the new organization hinted at in the press will see it as one of its important functions to boldly tell the people of Canada that their resources must be rigorously allocated to war purposes to a degree that has not heretofore been necessary.

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The Mail-box

Making a Start

Editor, The Financial Post:

Damn your hide! Putting your Hostility on the front page—I was so cussed mad I wanted to tear up your old paper —However, I subsided slightly when I turned to your editorial page.

As you say, the Sirois Report is only a beginning—but that's it—it is a beginning. It's got to go through! Sirois Report or Axis—Dorothy Thompson makes it clear (although she doesn't know she does). There is no leadership anywhere in the Democracies (England's too busy swatting flies and cleaning up the mess) —come on, Canada, ... lead ! ! !

Lead on MacDuff and damned be he who cries enough! ! !

(MRS.) I. J. WEBSTER.

Editor's Note: Mrs. Webster refers to this headline in last week's issue "Action on Sirois Report Meets More Hostility."

The hostility reported by The Post was not this paper's hostility. The newspapers that report bombs falling on London are not dropping the bombs themselves.

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Empire Monetary Unit

Editor, The Financial Post:

It is reported that Great Britain is nearing the end of her cash resources for the purchase of the materials of war in the United States. May I point out that at the present time, owing to the conditions prevailing, international exchange, in exchange between nations, does not now exist. There is nothing to prevent the pooling of the gold resources of South Africa and Australia with the precious wealth of India and the establishment of an Empire Monetary Unit of Value for the purchase of these materials.

Canada does not seem to have any real exponents of practical or applied economics to handle British requirements. An Empire Monetary Unit of Value is feasible. It can and must be established.

South Africa, Australia and India may not agree to this. They can be asked, surely. On the other hand, should Great Britain be allowed to stand the full financial burden, alone, as well as the actual fighting and, consequent loss of life and property at home, the rest of the world can expect to see the return of the dark ages in our lifetime.

D. F. S. BALLANTYNE.

Toronto.

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Using Available Skills

Editor, The Financial Post:

I would like to express to you my appreciation of the service The Post is rendering to Canada at this time of crisis. Your articles have been well chosen and the recommendations and suggestions which you have made to the governing bodies of this country surely have been a help in solving our many problems.

It has always been true that a governing body cannot act ahead of public opinion, but it is possible for our newspapers to influence their readers to the extent that public opinion will demand of their government the most efficient and progressive management of our affairs of state.

In this week's Post I notice that there may be a scarcity of skilled help in the munitions and supply industries which are shortly to be placed in production on war essentials. I readily understand this may be true unless provision is made to man such plants weeks before their production starts.

Across this country from coast to coast thousands of men can be found in small machine shops, garages and throughout our industrial system who could be induced to give of their services provided their earnings are equal or better than they are now receiving.

Use your influence to immediately coordinate the efforts of our labor board at Ottawa, of employers and employees that we may go forward speedily to victory.

C. A. SADLER,

Oshawa, Ont.

As Others See Us

New Town for Jobless Insurance

Truro News

An organization for the new Unemployment Insurance scheme is being set up. It will require approximately 4,000 additional government employees.

The Financial Post is criticizing the Government for starting this most sizeable business in Ottawa.

We support The Post in its contention that some of the independent departments should be at points outside the governmental capital. An institution as large as 4,000 employees might quite well demand a new town laid out for the purpose. This could be modern and along the line that private industry opens up towns around their establishments.

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Think It Over

Windsor (N.S.) Tribune

The Financial Post tells its readers that the people of Canada want its leaders to lead forcefully in everything for Canadians who are united and purposeful and "deadly determined" in the war effort. They want a government who will ruthlessly direct the programmes of air training, procurement and labor supply. They want a government which will pull no punches in curtailing the sale, importation or purchase of any commodity needed for the war effort. They want a government to inspire them as to the expanding need for sacrifice and saving.

In the last word "saving" there is a vast amount of meaning which the rank and file, who see no apparent desire to reduce the salaries of highly paid government and other officials, cannot understand. Think it over.

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Sayings of the Week

"Hitler may well be the scourge of God which will force the free world to abandon the selfishness and materialism which have been its undoing." — *Lord Lothian.*

• • •

"The little Canadian, the ingrowing isolationist is himself today a hopeless anachronism." — *Professor Watson Kirkconnell.*

The Financial Post

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Week in Business

Canadians Buy Freely To Avoid New Taxes

Demand Quickens for Domestic Goods Affected By New Excise Duties — And Imported Lines on Restricted List

Anticipation of increased import and excise taxes caused a flurry of buying of all sorts of goods at retail stores on the days immediately preceding Finance Minister Ilsley's baby budget. This demand coming on top of an already large volume of business in some cases taxed facilities to the utmost. One man who went to buy an electric washer for instance could hardly get waited on.

In some instances it had been expected there would be a luxury sales tax imposed which would be collected over the counter. This, it was felt, would add materially to the cost of the goods. When the restrictions were announced containing nothing of this kind, considerable satisfaction was expressed.

As the new taxes do not apply to goods already on hand, merchants expect the present demand will be maintained until present stocks are exhausted. Imported goods which can no longer be brought in from the United States will also, it is expected, be taken up quickly by people who fancy particular lines or brands. It is expected, however, that actual price rises due to taxes or shortages of certain special classes of goods will develop gradually except in merchandise of which small inventories are carried. In one large store it was estimated supplies on hand were ample to take care of most of the normal Christmas trade.

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The general effect of the new regulations will be to limit purchases of Canadians to goods produced either at home or in the sterling areas. They will also, of course, increase the cost of various household appliances on which increased excise taxes will be levied.

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Apart from the stimulus of the budget business generally has been active.

The approach of Christmas has been a big factor. The public generally is earning well and is ready to spend its money on all sorts of goods from children's toys up to household necessities.

The activity in industry is also an important influence. In hardware, for instance, merchants state the demand from manufacturing plants for various kinds of hardware has been brisk while builders' supplies are in good demand.

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Prospects for further expansion owing to the war were voiced by Huntley R. Drummond, president of the Bank of Montreal, at the annual meeting of the institution, when he said:

"Few of us who were here last year thought Canada could go so far in her war effort in the production of material aid as she has done, and we are just at the beginning. The production of war supplies will be immensely greater next year.

"Of business generally it is sufficient to say that practically every phase of industrial and commercial activity is reflecting the intensity of our war programme."

Business Indicators

Current business active with D.B.S. Index up three points from previous week and almost two points above last year.

Carloadings for third week in November above last year. Total for year to date up over 9%.

Construction contracts in November far above 1939 level. Cumulative for 11 months 85% higher.

Electric power output in October lower than year ago but total for 10 months up 7%.

Iron and steel production in October rises sharply with totals for 10 months more than 1939.

Trade — retail and wholesale sales show substantial gains in October over year ago.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▪.

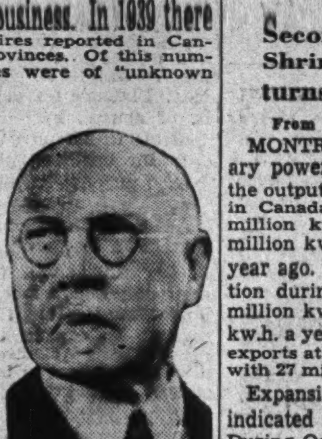
TREND OF BUSINESS—	Nov. 23	Nov. 16	Nov. 9	Nov. 2	Nov. 25/39
Weekly index of business, D.B.S.	105.1	102.1	102.1	101.7	103.5
Commodity prices index no.	84.0	84.0	83.7	83.6	79.9
	Oct.	Sept.	Aug.	July	Year Ago
The Financial Post business index	°151.7	147.4	142.9	139.5	126.6
▪Retail sales index no.	93.7	91.0	93.6	89.4	86.9
Dept. store sales index no.	92.4	89.0	89.2	87.5	90.0
▪Wholesale sales index no.	133.9	124.2	115.1	105.2	123.1
▪Country store (% change pr. yr.)	+3.6	—10.7	+9.8	+6.2	+3.5
EMPLOYMENT Index Nos., D.B.S.	Oct. 1	Sept. 1	Aug. 1	July 1	Year Ago
All industries	136.2	131.6	127.9	124.7	121.7
Manufacturing	143.8	138.4	134.4	130.3	119.7
Wage earners, no. 000's	....		2,709	2,634	2,461
Living costs weekly budget	....	$17.82	$17.90	$17.84	$16.93
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
▪Carloadings (week Nov. 23)	63,088	58,761	2,534,594	2,312,844	+9.6
C.N.R. gross (week Nov. 21) $	5,114,656	4,838,150	216,603,519	178,268,672	+21.5
C.P.R. gross (week Nov. 21) $	3,481,000	3,668,000	149,413,000	132,792,000	+12.5
C.N.R. net revenue (Oct.) $	5,241,322	5,453,848	33,209,638	12,106,202	+174.3
▪C.P.R. net revenue (Oct.) $	5,470,639	5,844,165	25,760,614	18,549,575	+38.8
IRON AND STEEL—Oct.—					
▪Pig iron production (tons)	109,385	85,758	948,841	573,740	+65.4
▪Steel ingots and castings prod. .... (tons)	185,091	149,890	1,649,639	1,087,583	+51.7
AUTOMOBILES—(Number)—					
Passenger Cars:					
▪Domestic sales* .. (Oct.)	4,829	5,682	85,370	74,637	+14.4
Factory output .. (Oct.)	7,056	7,791	87,659	87,433	+0.2
Trucks and Buses:					
▪Domestic sales* .. (Oct.)	1,665	1,219	25,480	21,052	+21.0
Factory output .. (Oct.)	14,095	1,849	88,340	32,493	+172.3
Financing:					
Used .... (Oct.) $	3,230,121	2,710,322	36,103,792	30,327,357	+19.0
New .... (Oct.) $	2,125,353	1,749,308	28,227,723	23,834,099	+18.4
CONSTRUCTION—					
▪Contracts awarded..(Nov.) $	54,981,900	12,739,300	329,091,500	177,749,300	+85.1
Cement prod., bbls. (Aug.)	909,000	842,000	4,619,804	3,572,691	+29.3
AGRICULTURE—					
Flour prod., bbls. .. (Sept.)	1,635,849	1,927,102	11,717,941	11,237,017	+4.2
Flour exp., bbls. ... (Oct.)	750,193	444,144	5,942,573	3,866,648	+53.6
Wheat exp., bush. .. (Oct.)	9,658,887	16,848,847	110,129,700	107,856,939	+2.1
Cattle sales▴ .... (Oct.)	151,889	159,421	940,344	900,850	+4.3
Hog sales▴ .... (Oct.)	675,574	488,665	4,112,414	2,824,858	+45.6
SEA FISHERIES—‡					
Catch, cwts. .... (Oct.)	1,052,400	830,900	9,450,250	8,398,750	+12.5
Landed value ...... (Oct.) $	1,669,300	1,203,200	15,961,000	15,106,650	+5.6
NEWSPRINT—					
Production, tons ... (Oct.)	309,957	280,985	2,883,562	2,339,884	+23.2
Exports, tons .... (Oct.)	275,821	270,493	2,702,750	2,149,435	+25.7
MINING AND OILS—					
Coal prod., tons ... (Sept.)	1,342,751	1,385,438	12,156,067	10,667,359	+13.9
Coal imports, tons . (Sept.)	2,074,840	1,744,468	13,649,462	8,829,683	+54.5
Gold prod., fine oz. (Sept.)	440,450	422,392	3,935,341	3,801,760	+3.5
▪Crude oil prod., bbl. (Sept.)	841,752	720,866	6,268,565	5,787,117	+8.3
Crude oil imp., bbl. (Sept.)	4,466,200	4,752,600	30,301,000	26,654,600	+13.7
ELECTRIC POWER OUTPUT—(October)—					
▪Total monthly, 1,000 kw.h.'s	2,487,455	2,589,956	24,971,047	23,213,736	+7.5
FOREIGN TRADE—♦					
Imports .... (Sept.)	86,286,828	73,564,271	768,719,704	515,331,719	+49.1
Exports .... (Sept.)	102,778,196	82,456,582	869,311,971	644,040,089	+34.9
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. .... (Oct.)	241,494	244,085	2,029,857	1,823,970	+11.2
Shoes, prod., pr. .. (Sept.)	2,484,668	2,368,374	19,454,317	17,905,207	+8.6
Cotton consump., lb. (Oct.)	16,662,648	13,036,098	158,876,127	98,861,553	+60.7
Raw rubber imp., lb. (Sept.)	6,061,154	8,004,372	68,083,514	48,753,726	+39.6
Cigarette cons. No.† (Oct.)	747,064	706,230	6,310,136	5,980,874	+5.5
Sugar manufactured .. lb.§	92,174,302	101,604,562	712,519,894	662,803,108	+7.5
FINANCE—					
▪Bank debits† .... (Oct.) $	3,526,625	2,898,916	28,179,805	25,630,139	+9.9
Bond sales† .... (Oct.) $	112,036	268,041	1,855,209	1,304,552	+42.2
Life insurance sales (Sept.) $	26,156,000	34,252,000	267,381,000	269,033,000	—0.6

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 5, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. °Final.
▴Total at yards and plants.
New items for week marked ▪

SKF
BALL & ROLLER BEARINGS
ALL TYPES - ALL SIZES

Keeping Posted . .

By J. C. KIRKWOOD



JOHN C. KIRKWOOD

Arson is a business. In 1939 there were 45,755 fires reported in Canada's nine provinces. Of this number 7,299 fires were of "unknown origin," yet fire marshals and insurance underwriters hold to the opinion that a very large proportion of these fires of "unknown origin" were caused by arsonists. Arsonists! The word suggests a profession, an occupation, does it not? Ontario and Quebec have more arsonists than do other provinces—doubtless because these are Canada's most heavily populated areas. In 1939 one hundred and seven arsonists—or incendiarists—were brought to trial, convicted and imprisoned.

If you are curious regarding the ways arsonists use in setting fires to insured properties, that they may collect the insurance, then read the article, "On the Arson Trail," in the December 1 issue of Maclean's Magazine.

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Copyrights and Patents

"Times without number," says George H. Riches, "clients request that a certain trademark be copyrighted. Other times that a trademark be patented. There is really no similarity between a patent, copyright or trademark." Mr. Riches in his contribution to the November issue of Canadian Machinery and Manufacturing News proceeds to define, with precision, the significance of the terms "patent," "copyright" and "trademark," and he has much to say on the subject of trademarks. This excellent and comprehensive article should be filed by every manufacturer, for its informative and directive value; and also by every advertising agency and merchandising counsellor. Here's a black-face sentence in this article: The manufacturer must select a trademark which will not be open to objection in the country or countries to which he is exporting.

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A Best Seller?

Probably the book which is currently getting most attention in book stores and in literary publications is Kenneth Roberts "Oliver Wiswell"—a 900-page book (McClelland). It is bound to be a popular gift book this Christmas. Emphatically it is a man's book—a story of the American Revolution and, in respect of the territory covered, it takes in a part of Canada—Nova Scotia and New Brunswick. "Thousands of United Empire Loyalists in Canada will find a personal interest in the story of the wanderings of their forefathers," declares J. R. Perigoe in his review of this book in Bookseller and Stationer.

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Doctors' Advice

One has grounds for thinking that every doctor with writing ability wants to produce a book—a book for layman, for the general public. Literature has been enriched by the books that doctors have written, and many, many thousands of men and women have been delightfully entertained by books by doctors, many of whom are travellers. One of these doctors' books to be heartily commended bears the intriguing title, "More Years for the Asking." It is written by Peter J. Steincrohn, M. D. (Ryerson). The chapters are short and many, and each is most readable. They deal with many ailments—ailments of the heart, the arteries, the stomach, the kidneys. By way of example, I let a doctor friend—a man very difficult to please—scan this book and to my surprise he spoke well of it. One chapter has title, "Learn to be Lazy." "We are not sufficiently lazy," says the author. "Our lives are full of finding means to do just a little bit more. This looking for the uncertain future rather than taking it easy is the curse of modern living. Learn to be lazy." If, therefore, you want to have more years, you can assure them by following the counsels of this most sensible book.

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Bigger Grocers' Bills

We who live in Ontario are apparently eating more. Thus, we gave grocers in Ontario in 1939 $3¾ millions more than we gave them in 1938. We gave them a total of $150 millions. Of this amount we gave 52.8% to independent grocers and 47.2% to chains. But the chains, regarded as a whole, are gaining in the competitive race. Canadian Grocer has its explanation for the faster stepping of the chains—price competition, which has attracted trade from the independents; the better and more voluminous advertising done by the chains; larger "units"—this as against the smaller stores of most independents; chains provide parking space, which is an attractor of custom.

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Eat Canadian

We are being urged to BUY Canadian, and now Helen G. Campbell, director, Chatelaine Institute, bids us EAT Canadian. Her command is in the form of an article in the December issue of Chatelaine, entitled "A Patriotic Christmas Dinner." This article is Scene 6, in the series of Family Portraits, which is the big feature of this December issue. Yet Miss Campbell does not rule out, lock, stock and barrel, Empire products. "Patriotic" is a wide word, but she "plugs" for Canadian items wherever possible.

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Free Wash

It's a good idea—one I saw referred to in Hardware and Metal. Here it is: A dealer in washing machines arranges for demonstrations of the washing machine in the homes of prospective buyers. What intrigues the woman is seeing a man doing a good job. Then, too she gets the week's washing done gratis.

Central Station Output Lower

Secondary Output Shrinkage Affects Returns

From Our Own Correspondent

MONTREAL.—Decline in secondary power production pulled down the output of central electric stations in Canada during October to 2,487 million kw.h., compaed with 2,590 million kw.h. for the same month a year ago. Secondary power production during the month totalled 246 million kw.h., as against 634 million kw.h. a year ago. On the other hand, exports at 65 million kw.h. compared with 27 million kw.h. in Oct., 1939.

Expansion in demand for power is indicated in the firm power figures. During October firm power production totalled 2,176 million kw.h., or a daily average of 70 million, as against 1,928 million kw.h., or a daily average of 62 million in Oct., 1939.

Less for Boilers

Deliveries to electric boilers last October totalled 246,319,000 kw.h., as against 634,114,000 kw.h. in the same months last year.

For the first 10 months of this year, energy delivered to electric boilers totalled 4,328 million kw.h., as against 5,387 kw.h. for the like period of 1939.

Exports of electrical energy from Canada to the United States in October totalled 169 million kw.h., bringing the total for the year to date to 1,750 million. In October last year exports amounted to 152 million kw.h., and for the 10 months 1,607 million kw.h.

Public Utility Earnings

Jamaica Public Service

October	1940 $	1939 $
Operating revenues ..	88,853	84,322
Gross income after retirement res. accr. .	24,772	25,882
Net income	16,346	16,293
12 Months Ended Oct. 31		
Operating revenues ..	1,063,930	1,001,860
Gross income after retirement res. accr. .	309,586	322,912
Net income	202,611	221,015

The above figures have been converted from £ sterling at rate of $4.86⅔ to the £.

Present - day cloud - lining is pretty substantial stuff

Even war clouds have their silver lining and retailers throughout Canada are realizing it, as employment increases day by day, and regular pay-days boost consumer spending power. Toronto is Canada's No. 1 market at any time, because one-fifth of the Dominion's population and a third of its total buying power lie within a radius of one hundred miles of the city. To-day, owing to war industries' pay-rolls, it is reaching towards a new peak. For sixty-four years it has been an accepted fact that

TORONTO IS A "TELEGRAM" CITY

BUY SAVE WAR SAVINGS CERTIFICATES

THE EVENING TELEGRAM
Largest Classified Linage in Canada
TORONTO CANADA
MONTREAL; E. R. CHOWN, Dominion Square Building

Business Activity Higher In Four Economic Areas

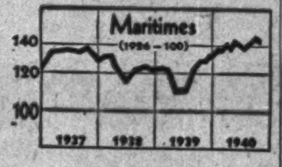
Business activity in Canada in October showed increases over 1939 in all economic areas except the Prairies, where the decline was less than 1%. The Financial Post Regional Business Indices rose 9.8% in the Maritimes, 6.4% in Quebec, 20% in Ontario and 2.1% in British Columbia.

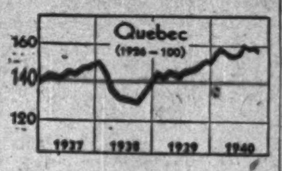
Compared with September, more active business was indicated in Ontario and British Columbia. The index for Ontario rose to the highest on record.

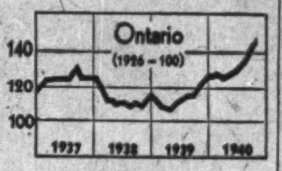
Trend of Business in Economic Areas

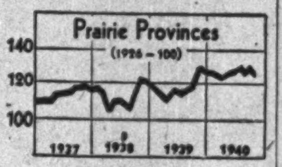
	Oct. 1940	Change from 1939 %	Sept. 1940
Maritimes			
Constr. contr. .... $	2,326,000	+53.0	1,733,000
Bldg. permits .... $	413,000	—4.0	411,000
Life ins. sales .. $000	2,418	—8.1	2,237
Bank debits $000,000	77.3	+12.4	62.7
Elec. pwr. .... kw.h.	72,671	—6.1	67,504
Employment*	133.8	+13.5	128.2
Index	143.0	+9.8	147.9
Quebec			
Constr. contr. ..... $	8,637,000	+165.2	5,672,000
Bldg. permits ..... $	2,418,000	+158.3	2,697,000
Life ins. sales .. $000	8,618	+6.9	7,485
Bank debits $000,000	918	+18.6	716
Elec. pwr. kw.h. 000	984,374	—9.7	958,762
Employment*	148.7	+13.1	142.8
Cotton consump. lb.	16,662,648	+27.8	14,286,921
Newsprint prod. tons	309,957	+10.3	282,322
Index	159.0	+6.4	160.0
Ontario			
Constr. contr. ..... $	8,171,000	+16.2	24,744,000
Bldg. permits ..... $	6,386,000	+106.4	5,221,000
Life ins sales .. $000	14,084	+6.6	11,021
Bank debits $000,000	1,716	+49.0	1,093
Elec. pwr. kw.h. 000	895,602	—0.8	854,036
Employment*	142.5	+14.5	140.9
Livestock slaught.* .	227.3	+32.1	206.2
Steel prod. ..... tons	185,091	.....	164,515
Auto. prod. .... No.	21,151	+87.2	15,475
Index	147.9	+20.0	144.3
Prairie Provinces			
Constr. contr. .... $	5,218,000	+553.1	19,024,000
Bldg. permits .... $	2,073,000	+270.2	1,303,000
Life ins. sales .. $000	3,859	—28.1	2,987
Bank debits $000,000	612	—15.9	531
Elec. pwr. kw.h. 000	182,968	—6.1	156,838
Employment*	119.7	+6.0	118.1
Wheat receipts .. bu.	69,261,000	—12.0	102,583,000
Wheat prices**	70/3	+0.2	71/5
Index	127.9	—0.8	131.5
British Columbia			
Constr. contr. .... $	2,009,000	+24.2	1,087,000
Bldg. permits .... $	862,000	+42.7	777,000
Life ins. sales .. $000	1,984	—16.7	1,971
Bank debits $000,000	203.2	+15.1	168.3
Elec. pwr. kw.h. 000	182,936	+5.7	175,555
Employment*	126.3	+9.4	127.8
Index	133.3	+2.1	132.3

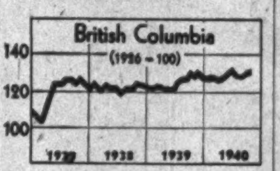
*1926=100.
**Cents and eighths of a cent per bushel.











See Maritime Lumbermen In Favored Export Position

From Our Own Correspondent

MONTREAL. — Restricted timber markets are in prospect for Canadian lumber next year, but Maritime operators expect to be in a preferred position, according to a bulletin issued by the Maritime Lumber Bureau.

Following difficulties exchanged in arranging sales of Maritime spruce and pit-props to the British Timber Control, the Bureau made enquiries for the purpose of finding out the true position.

Members of the Bureau have now been informed that British requirements in sawn lumber for the coming year would seem to be one third less than last year. In addition the amount of pit-props required would also appear to be considerably less.

The Canadian Trade Commissioner at Bristol, where the British Timber Control is located, reports of a general reduction in United Kingdom requirements due to shipping, exchange, slackening demand and increasing home-production. He advises that an alteration in the decision of the British Timber Control to buy less seems unlikely. The Department of Trade and Commerce at Ottawa confirms this report of their Trade Commissioner.

The reduction of one third in British requirements of Canadian sawn lumber will apply in like proportions of Maritime spruce. "Our geographical location and shipping facilities," says the Bureau, "combining to make low transportation costs, should place us in a preferred position as compared with other sections of the country."

Fleet Aircraft Ltd. Plans Bigger Staff

From Our Own Correspondent

MONTREAL.—Fleet Aircraft Ltd. has advised the Government that an addition of 4,000 workers to the payroll will be needed to carry out production of war orders this year.

Company officials point out that assumption by the president, W. J. Sanderson, of the job of directing the new government aircraft plant at London does not mean any change in his position with Fleet. Announcement of Mr. Sanderson's new task apparently led to a mistaken idea that he was leaving Fleet.

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introduction by RAYMOND GRAM SWING
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And so does a Barrett Specification Roof. The coal-tar pitch that is the life-blood of this famous roof is actually preserved by water. That's one reason why it has earned the right to be called the world's greatest built-up roofing compound. Rain, snow, hail, wind and burning sun only serve to demonstrate the superior weather protection Barrett Specification Roofs provide.

Barrett Specification Roofs are applied only by Barrett Approved Roofers according to Barrett specifications. The combination of highest quality materials, expert workmanship and time-proved application technique results in roofs which laugh at time itself—roofs so good they are bonded for periods up to 20 years, roofs so outstanding they regularly outlive their bonds by decades.

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MONTREAL TORONTO WINNIPEG VANCOUVER
Canada's Greatest Name in Roofing
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For generations The Barrett Company has built true-level roofs. It is not uncommon to keep roofs of this type continuously flooded for air conditioning and insulating purposes.

By Air, Land and Sea

Air Cruises to Bahamas to Start Soon

Access to Resort In the Subtropics To be Reopened

Access to subtropic winter resorts, virtually closed to Canadians by foreign exchange controls, has been reopened by new travel links between central Canada and Nassau, Bahamas.

As forecast in The Financial Post a month ago, direct plane service is to be established shortly between Montreal and Nassau, with the sanction of the Foreign Exchange Control Board. In addition, Canadians may also be able to use a weekly steamship cruise service between New York and Nassau, as an alternative to the longer, less frequent service of Canadian National Steamships from an eastern Canadian port and Boston.

The air route to Nassau will be available weekly on an all-expense cruise basis, covering 8 days at one of Nassau's best hotels as well as the plane trip to and from the Bahamas resort. The special service will be offered under the name of Mayfair Sky Cruises, leaving Montreal every Friday beginning Jan. 17 and assuring arrival back in Montreal on the second Sunday following.

Sponsor of the cruises is Taylor S. Pennington, Toronto investment dealer, who has arranged with Canadian Colonial Airways Ltd. to provide and operate a large airliner under a charter arrangement. Also participating in the project is Thomas Cook & Sons Ltd., world famous travel agency, which will act as general passenger agents for the cruises. Support and co-operation in formulating the plan was given by the Foreign Exchange Control Board and the Bahamas Trade and Development Board.

Soon to be made directly accessible by plane from central Canada, the white sands and brilliant blue-green waters of the beaches at Nassau, Bahamas, are among the chief attractions of the resort. The beaches can be enjoyed for relaxation, as pictured above; for swimming in the warm, crystal clear ocean; or for water skiing by the more adventurous. A charter plane service will operate weekly from Montreal to Nassau, commencing in mid-January, on an all-expense cruise basis.

Cost Inclusive

All-inclusive cost of the cruises—less than $400—will be payable entirely in Canadian funds. This will cover the plane trip to and from Nassau, transfers to and from airports, and overnight stop at Jacksonville, Fla., on the southbound journey, and meals, room and bath at the British Colonial Hotel in Nassau for eight days.

As Nassau is one of the sterling areas to which pleasure travel is still permitted for Canadians, Exchange Control Board regulations permit those who go on the cruises also to get sterling exchange from their banks for spending money while in Nassau.

The Board has given approval to the sky cruise arrangement, in view of the fact that a Canadian is chartering the plane for the trips, that a Canadian air service is providing the equipment, and that payment for the cruises is to be in Canadian dollars in Canada. The Board has also sanctioned payment of up to $10 per passenger in U. S. funds to cover hotel and other expenses during the stop at Jacksonville, and exchange for operating expenses at U. S. airports.

Bahamas authorities and business interests have welcomed the cruise plan, as it promises to revive the nearly suspended flow of Canadian winter travel to Nassau and to provide valuable Canadian dollar exchange.

Canadian Colonial Airways will operate a 21-passenger Douglas DC-3 airliner on each cruise, staffed with a captain, first officer and stewardess on each flight. The plane will be equipped with flotation gear, though the possible emergency need for this is regarded as remote. The chain to Bahamas Islands leading to Nassau begins only 50 miles or so from Miami. The whole distance from Miami to Nassau is only 180 miles, which the plane should cover in about an hour.

The cruises will start each Friday from Montreal at 12 noon, clearing the U. S. Customs at LaGuardia Airport, New York, and proceeding on to Charleston, S.C., for refuelling. The plane will reach Jacksonville at 8 p.m. on the day of departure, and remain there overnight.

This will permit arrival at Nassau in daylight and thus afford passengers a change to take in the striking panorama of the Florida east coast and the beauties of the Bahamas as they wing their way to Nassau.

The route will pass over Daytona Beach, Palm Beach and Miami, thence directly across the short sea gap to the Oakes Field Airport, bought and developed last year by Sir Harry Oakes, Canadian mining magnate.

On the return trip, the plane will leave Nassau at 9 a.m. the second Sunday and arrive back in Montreal at 8 p.m. the same day, with only brief stops at Jacksonville, Charleston and New York.

The cruises are designed to enable Canadians generally to holiday in the colorful subtropics despite wartime restrictions. But they are especially planned for the convenience of Canadian business executives and senior Government officials working under pressure of wartime duties. It is believed that many of these, particularly those who have been accustomed to winter holidays in the south, will welcome the chance to get a full week's Nassau holiday with a minimum of time spent in travel.

Quite apart from the fact that pleasure travel to U. S. winter resorts is now cut off, sponsors of the cruises get special satisfaction from having created a new channel of travel and other contacts between two parts of the Empire. It is also pointed out that the project permits winter holiday relaxation in an Empire setting, and will assist in clearing some of Canada's reported surplus of sterling exchange.

The sky cruise plan, which will link Canada and Nassau with less than 12 hours flying time, has been enthusiastically greeted in the Bahamas. A recent editorial in the Nassau Guardian commended Canadian enterprise for the initiative taken to establish such a fast, direct service to the South Atlantic in wartime.

A new steamship service available to Canadians may also be inaugurated to Nassau about the same time as the sky cruises. Commencing Jan. 18, Eastern Steamship Lines will operate a weekly cruise service to Nassau, leaving New York every Saturday afternoon.

Under plans passed by Foreign Exchange Control Board, Canadians would be able to go by train to New York and pay for their fares on the Eastern Steamships boat in Canadian funds. These funds would be cleared by a triangular plan under which the Bahamas authorities would buy U.S. funds with sterling exchange, and turn these American dollars over to the steamship company in exchange for the Canadian dollars paid to it by Canadian cruise passengers.

This will obviate the necessity of using Canadian funds for purchase of U. S. exchange. At the same time, it will benefit the Bahamas because Canadian dollars in excess of the steamship fares will be spent by most Canadian visitors to Nassau. This will aid in reducing Canada's surplus of sterling funds and balancing exchange accounts between the Dominion and the Bahamas.

Previous Obstacles

Hitherto, Canadians were facing some difficulty in reaching Nassau, or Bermuda and the West Indies, for winter holidays. As sterling areas, pleasure travel to these places was permitted, but regulations compelled use of a Canadian transport agency and Canadian funds, and minimum travel through the U. S. This barred travel by train or plane to New York, Miami or other U. S. coastal points, and thence to Bermuda, Nassau or the West Indies by ship or air services.. Pleasure travel to U. S. points is, of course, barred by exchange controls which provide U. S. funds only for business, health or other special purpose travel.

In effect, Canadians planning travel to South Atlantic resorts were compelled to go on Canadian National "Lady" ships, which are operating only once a month this winter. To obviate the long roundabout trip through an eastern Canadian port, the Exchange Control Board permitted travellers to board the ships at Boston, but even this arrangement took too long or otherwise did not meet the desires of many prospective southbound trippers.

Duke as Governor

Selection of Nassau as the terminus of the new air and steamship services, partly and indirectly arises from appointment of the Duke of Windsor as Governor of the Bahamas. This has focused widespread attention on Nassau, and aroused new interest in its advantages of warm winter climate, exotic tropical scenery, and distinctive recreation facilities.

As a result, a much larger volume of winter travel to the islands is expected this season, especially in view of the stoppage of travel abroad, and many of the hotels and other establishments are starting winter operation earlier than usual.

Direct contact with Canada is available in Nassau through the branch of the Royal Bank of Canada. Also of special interest to Canadians in the Nassau business district are the attractive shops and open air markets where imported English goods vie with products of native craftsmanship such as woven baskets and straw hats and shell jewellery.

Nassau Attractions

Most visitors to Nassau enjoy sightseeing in leisurely horse drawn victorias or on bicycles, though automobiles are available if desired. A special sightseeing attraction is the sponge exchange where freshly "hooked" sponges are dried and prepared for shipment. The brilliant blue-green waters bordering the white beaches not only attract swimming, fishing and boating enthusiasts, but ocean sightseers.

Brightly colored fish, coral formations, undersea ferns, and other unusual sights can be viewed either through the crystal clear water from native boats, or through the big glass window of the Williamson Photosphere, reached from a parent ship by a tube which also supplies air to the underwater chamber.

Sailing ship tours through the 29 islands, 600 cays (or keys) and thousands of reefs of the Bahamas can be arranged, or they can be viewed from the air in a local air service plane.

HOWEVER YOU TRAVEL . . .
CARRY YOUR MONEY SAFELY
Canadian Pacific Express
TRAVELLERS CHEQUES

New Books . . .

Tribute to Churchill

WINSTON CHURCHILL. By Rene Kraus. Published by Longmans, Green and Co., Toronto. Price $4.

No one has written the life of Winston Churchill better than Churchill himself. He has lived one of the most adventurous and romantic careers of all men living and has made himself a small fortune by writing of his experiences.

But there is no one book of Churchill's that tells the whole story. And Churchill himself is much too busy now to write it. Thus a very real need has arisen; the need for a full-length life of Britain's great wartime leader.

Rene Kraus, refugee from Hitler's brutality, has written such a biography. It is a splendid tribute. Kraus has made no attempt to conceal his unbounded admiration for the man who is bringing Britain through her darkest shadows. But he does not overpaint the picture of the courage and tenacity of spirit of the man who thundered warnings while England slept, and now must fight a battle without the planes and guns and tanks and ships that were not built when England was sleeping.

Mr. Kraus's readable account of the most fascinating public life of modern times would make an ideal Christmas gift for almost any age and for either sex. There are 16 illustrations and from jacket to literary content the production is wholly admirable.

Prices in Wartime

WARTIME CONTROL OF PRICES. By Charles O. Hardy. Published by Brookings Institution, Washington. Price $1.

All nations engaged in the present war have set up systems of price control designed to avert, if possible, the perils of inflation; to maintain in the structure of prices the greatest possible degree of justice for all.

Dr. Hardy's study is a very valuable guide to governmental action in this field. From a most illuminating study of how men, material and money are mobilized for war, he proceeds to an account of the price control techniques of the U.S.A. in the last world war.

Special Libraries

DIRECTORY OF SPECIAL LIBRARIES IN MONTREAL. Published by Montreal Special Libraries Assoc., c/o Royal Bank of Canada, Montreal, at $1 per copy.

This is a revision of the 1933 edition and provides a ready reference to all the Special Libraries in Montreal. The features of each library are indicated, as well as the librarian's name, address and telephone number. The type of service provided by each library is outlined. The directory should prove very useful for the businessman.

At the Helm

WINSTON CHURCHILL AT THE ADMIRALTY, 1911-1915. By Prof. R. MacGregor Dawson. Published by U. of T. Press, Toronto. Price 25c.

R. MacGregor Dawson, Professor of Political Science, University of Toronto, wrote a sketch of Winston Churchill at the Admiralty (1911-1915) for the August issue of the Canadian Journal of Economics and Political Science. University of Toronto Press has reprinted the article in booklet form.

These four years are of tremendous interest, not only because of their effect on Churchill's career, but also because of the lessons they teach of what makes for success or failure in time of great national crisis.

Mr. Dawson appraises the Dardanelles debacle which caused Churchill's downfall at that time and concludes by saying, "The responsibilities of the Dardanelles failure rest by general consent on many shoulders, but one of the lightest burdens is that borne by Mr. Winston Churchill."

Colonial Airways Co-operate With CA

Discontinues Air Service Between New York and Niagara Falls

From Our Own Correspondent

MONTREAL.—Canadian Colonial Airways Inc., associated with Canadian Colonial Airways Co., announces discontinuance of operations between New York City and Niagara Falls.

In a statement issued by Col. Sigmund Janas, president, he said: "Since every effort is now being made by the Civil Aeronautics Authority and other interested agencies of the Federal Government in coordinating and developing to the ultimate our resources in the interests of national defense, I feel this is not the time for an established air line in this country to be engaged in a jurisdictional controversy with an agency so important as the Civil Aeronautics Board."

The controversy has been over the legality of the route. The C.A.A. some time ago asked for a temporary injunction for suspension of services of the route. An injunction was denied and the court recommended an early trial.

Attention! —Special Rates to Travelers—
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Only 20 Minutes' Drive from ST. CATHARINES, THOROLD, WELLAND, MERRITTON and FORT ERIE
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Delicious full-course Luncheon and Dinner 65c
FIREPROOF FREE PARKING
Vernon G. Cardy, President. Ronald P. Peck, Manager.

"Isn't it marvellous—we play golf all winter in VICTORIA!"
"Here in our winter home at the Empress, we enjoy carefree days, and Canada's best in winter climate. In Victoria, the winter-garden city, we golf, fish, motor, swim in warmed sea-water at the Crystal Garden and meet interesting people."
Join the winter colony at the Empress. There's no exchange problem, no passports. Old English Yuletide Festivities, Winter Golf Tournament, March 9-15.
Winter rates, monthly—October 1 to April 30—room with bath from $67.50 single, from $90 double (2 persons). Moderate prices for meals.
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You owe it to yourself to enjoy a FLUID DRIVE
Fluid Drive is now, and for several years will remain the most advanced improvement in automobile driving ease, smoothness of operation and safety! This product of Chrysler engineering genius is simplicity itself and has only two moving parts. But to describe its smooth action in words is impossible. So we urge you, whether you intend purchasing a car or not, to accept your Dodge-De Soto dealer's invitation to enjoy a Fluid Drive in a 1941 De Soto. In justice to yourself phone him TODAY.
Engineered by Chrysler

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Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Canadian Car

We hold some shares of stock in Canadian Car & Foundry Co. and would like to know from you how this organization is getting along.

Canadian Car and Foundry Co. is understood to have experienced satisfactory results in the 12 months ended Sept. 30. The company has been busy on war orders and its airplane plant facilities have been working at capacity. It is difficult, however, to predict to what extent earnings of the organization will be affected by this activity. There are numerous indeterminable factors entering into the picture, such as working agreements with governments for which the company is manufacturing supplies, allowances for depreciation, write-offs, taxes, etc. Improvement in earnings position will naturally accrue to the benefit of the preference shareholder. Arrears on the 7% preference, of $25 par value, are $9.12¼. The company's working capital position may be improved in the near future with the Mixed Claims Commission's award of between $3 and $4 millions. This protracted legal fight arose from the last world war, when the company's New Jersey munitions plant was destroyed by sabotage.

Dosco B

Is there a possibility for a dividend payment on Dominion Steel & Coal Corp. class B stock?

Dominion Steel & Coal Corp. is operating at capacity levels, and there is little doubt that operating profit for the full year will be in excess of the $3 millions shown in 1939. It is also possible that net profit for the year, after taking into consideration "excess" profits tax, will exceed earnings on the class B shares of $1.28 last year. The company has been building up its financial position steadily, and operations may be expected to continue at peak levels for the duration of the war. Prospects for dividend disbursements on the class B shares will be governed entirely by company policy. Increased taxes and higher operating costs will prevent all but a relatively small proportion of business betterment being reflected in net profits.

Riverside Silk

Would you give me a little of the history of Riverside Silk Mills? Has the original management retained connection with the company?

Riverside Silk Mills produces silk yarn used in the manufacture of ladies' underwear and hosiery and also manufactures broad silks. The present company was incorporated in 1915 by the present management, public interest first appearing in 1928 when Class A shares were offered publicly. Control still rests with the original management by virtue of its holding of the Class B capital stock, which is the only voting stock.

Management of the company includes E. M. McCormick, president, D. W. McCormick, vice-president and G. H. McCormick; secretary-treasurer. In addition, C. E. McCormick is a director as is F. J. Coombs, Toronto. Mr. Coombs represents A. E. Ames & Co., which firm offered the class A stock in 1928.

A record of stable earnings has been shown over a number of years. On the class A, the company has earned from $2.63 to $2.70 a share. Regular dividends of $2 a share are paid annually on this stock, while 50 cents a share has been paid on the class B in each of the past two years. The company's financial position is strong and adequate to meet all demands.

Shawinigan

Can you give us any details on earnings of the Shawinigan Water & Power Co.? Is the outlook for this company regarded as favorable?

Shawinigan Water & Power Co. has shown an expansion in revenue in the current year, but sharp increases in taxation, premiums on U.S. funds and higher reserve for depreciation, have caused a minor contraction in net profits. In the nine months ended Sept. 30, the company reported net profit of $1,623,784, against $1,677,358 in the corresponding period of 1939. Net in the nine months' period of 1940 was equivalent to 74 cents on the common stock, against 77 cents in the same period of the preceding year. Outlook for the stock is regarded as encouraging and the company's facilities and products are likely to be in strong demand while industrial activity continues at present high levels.

Alberta Bonds

By cashing coupons of Lethbridge Northern Irrigation District bonds do I admit satisfaction of my claim to interest in full? What are the prospects for settlement of the Alberta default?

The 6% debentures of Lethbridge Northern Irrigation District, which mature May 1, 1951, are guaranteed by the Alberta Government. Interest on the securities was cut in half by order-in-council, dated May 30, 1936. Regarding your position if you accept the half contractual rate being offered, we quote the late E. G. Long, K.C., in a letter to the Investment Dealers Assoc. of Canada: "In my opinion the holder of the coupon payable to bearer cannot effectually retain any right to the balance of the face amount of the coupon if on accepting a proportion of the face amount thereof, he delivers up the coupon itself. He is under no compulsion to deliver up the coupon, and if he does so against payment of part only of its face value, he cannot retain any further benefit by doing so under protest, and a reserve of any rights he may claim or have."

Best prospect for clearing up default on the Province's securities lies in implementation of the Sirois Commission's recommendations. If these were adopted holders of Alberta securities would receive all arrears of interest. A Dominion-Provincial Conference has been called for January to consider what steps will be taken in regard to the report. Apart from the Sirois plan, there appears little in sight for a settlement by the Alberta Government in the near future.

Montreal Power

We would appreciate having a report from you on the current position of Montreal Light, Heat & Power Cons.

Montreal Light, Heat and Power Consolidated serves Greater Montreal and surrounding districts with a population of about 1.5 million, with gas and electric power. Improvement in business and industrial conditions in this area has caused a marked upward movement of the consumption of electricity and a moderate gain in gas consumption. In the first 10 months of the current year electrical output rose 11.76% while gas production was up 2.90%. Increase in gross earnings, however, will not be reflected in the net earnings. Cost of operation and particularly taxes have advanced, offsetting gross gains. It is expected that taxes paid by the company in 1940 will show an increase of up to $2 millions over 1939. Earnings of $2.01 were shown in 1939, compared with $1.94 in 1938. Quarterly dividends at the rate of $1.50 have been paid regularly since 1930 and earned by a comfortable margin.

McColl-Frontenac

What is the record of McColl-Frontenac preferred stock?

McColl-Frontenac Oil Co. is one of the major organizations engaged in the distributing and refining of industrial oils, lubricants, gasoline, etc., in Canada. In the year ended Jan. 31, the company experienced the highest sales volume in its history. Net profit in the 1940 fiscal year was equal to $16.13 on preferred stock, against $9.67 in 1939 and $15.89 in 1938. Since the initial dividend on April 16, 1928, the company has paid dividends on the 6% preferred stock regularly.

Ogilvie Flour

How is the preferred stock of Ogilvie Flour Mills Co. regarded by investors?

Ogilvie Flour Mills Co. is one of the most successful units in the milling industry. In the year ended Aug. 31, 1940, volume of business increased somewhat over the preceding year. The improvement, however, was largely offset by increased taxation and competition in domestic markets. Demand for flour from the United Kingdom increased, but several other export markets have been eliminated. Operations for the past year resulted in net profit of $905,334, against $996,317. Earnings on the preferred stock were $45.27 in 1940, contrasted with $49.82 in 1939. Record of this preferred stock entitles it to a high investment ranking.

Steel Co.

What is the outlook for Steel Co. of Canada stock?

Steel Co. of Canada's production is utilizing plant capacity to the utmost. Volume in September was substantially ahead of the same month last year, according to Ross H. McMaster, president. Advancement in many cost factors has reduced margin of profit per unit as prices of heavy steel products have been maintained since the outbreak of war. These adverse factors have been overcome by an increased volume of business, but in view of higher taxes, it is doubtful if net profit for 1940 will equal last year's. In 1939 earnings on the combined preference and ordinary shares, having regard to the participating feature, were $6.51 a share, compared with $4.24. Equalizing dividends, which are the amounts to be paid before the preferred shares can participate, are being paid on the common stock and it is expected that the "arrears" will be cleared up by next February if the management continues its policy of declaring additional payments.

Fleet Aircraft

Will you be good enough to let me know the capital set-up of Fleet Aircraft Ltd., and information as to its operations?

Fleet Aircraft Ltd., formed under Dominion charter dated March 25, 1930, is participating actively in war orders. It supplies both the Fleet Primary Trainer and the Fleet Model 60 Advance Trainer for the Air Training Plan, as well as participating in Canadian Associated Aircraft. The company recently received a contract from the Department of Munitions and Supply for the Model 60 Trainer, valued at more than $4 millions. In addition, the company is planning to participate in the construction of a large airplane factory near London, Ont. It is understood that the new plant will be operated by Fleet. Capital structure of the company consists only of no par value common stock, of which there was 190,289 shares outstanding at the end of 1939. The company is expected to show a betterment in earnings in the current year, the extent of which will be determined by the profit margin allowed on Government orders, taxation, etc.

Trinity Bldg. Pays Interest

1% Distribution on General Mtge. Bonds First on Record

First payment on bond interest since incorporation was distributed Dec. 1 by Trinity Building Ltd. The amount was 1% on the 4% general mortgage income bonds. The company was organized in 1933 and owns a 3-story apartment building in Montreal. Bondholders previously have waived payment of bond interest to and including the payment due Dec. 1, 1939, so the current distribution is on account of interest due June 1, last.

William W. McLaughlin, president, in a review of the company's position, expresses the hope that "progress will permit the regular payment of not less than 1% bond interest each year."

The current payment reflects the improved operating position of the Trinity Building. Net earnings of $2,936. before depreciation in year ended Sept. 30, last, were over twice as high as in the previous 12 months and about $1,000 above any previous year.

Operating Expenses

Rental revenues were off a shade, but a substantial reduction was effected in expenses. This is attributed by Mr. McLaughlin to the policy of keeping the building in proper state of repair and of making improvements. The net reduction in costs has been possible in spite of a general increase in recent years in taxes and other uncontrollable costs, the president adds.

The property is fully rented at present. During the latest fiscal year no rent had to be written off as uncollectible.

Wage Hour Pact Signed In West

From Our Own Correspondent

EDMONTON. — An agreement believed unique in Canada was signed recently by foundry workers and their employers in the Edmonton area under provisions of the Industrial Standards Act.

Within a radius of 10 miles of the Edmonton main post office, the agreement covers a schedule of wages and hours of labor. The regular working week was set at 44 hours on 5½ regular working days. The foundry industry was agreed to include the founding of iron, steel, aluminum, brass and bronze.

The daily working limit of eight hours may be exceeded by one hour, providing the weekly limit is not exceeded by more than three hours. The agreement will be effective for one year.

Power Corp. of Canada Expenses Hit Dividend

From Our Own Correspondent

MONTREAL.—Directors of Power Corp. of Canada have declared an interim dividend of 15 cents a share on the common stock for the six months ended Dec. 31, 1940, payable Feb. 1 to shareholders of record Dec. 31.

For the past three years, semi-annual dividends at the rate of 30 cents a share have been paid. The current reduction to 15 cents a share is due, according to an official statement, to payment of American exchange on the company's outstanding debentures; increased taxation and to the reduction in dividends on Canada Northern Power common stock, etc.

Says Quebec Tax Yield is Same

Claims Province Does Not Profit From Higher Dominion Income Levy

From Our Own Correspondent

MONTREAL. — Hon. J. Arthur Mathewson, K.C., provincial treasurer, announces despite increased levy on Quebec incomes, return to the province will be substantially the same from this source as last year.

The province recently announced that it would reduce provincial income tax levy from 15% to 8% of net amount payable to the Dominion Government in order not to take advantage of the increased Dominion scale.

Sales Tax Return Same

He stated:

"I cannot state too strongly that... the Government has no desire to, and will not, take advantage of the extra burdens placed upon the income taxpayers of the Federal Government. We require $3 millions, the same amount as this year. By reducing the levy from 15% to 8% we arrive at approximately that same figure."

Canada Northern Revenues Lower

Both Gross and Net Income Register Contraction This Year

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp's gross income for October amounted to $404,671, as against $442,777 for the same month last year. Operating expenses were slightly lower, while net earnings of $192,985 were $35,781 lower than a year ago.

Cumulative returns for the 10 months ended October 31 show a gross income of $4,179,010, a decrease of $182,390 over the like period of 1939. Net income at just under $2 millions shows decline of $281,869 from that reported the year before

Output Slightly Less

Power output last month was 61,698,945 kw.h. This compares with 64,327,584 kw.h. in October, 1939, and brought the total for the 10 months of the current year to 619.8 million kw.h., as against 621 millions kw.h. a year ago.

During October 194 new customers were added to the system, bringing the total served to 25,626 as compared with 24,840 at the end of October last year.

Net Revenue Less

Comparative earnings statements follow:

	1940	1939
October		
Gross earnings	$ 404,671	$ 442,777
Oper. expenses	211,686	214,011
Net earnings	192,985	228,766
Ten Months Ended October 31		
Gross earnings	$4,179,010	$4,361,400
Oper. expenses	2,186,375	2,086,896
Net earnings	1,992,635	2,274,504

Municipal Finances

Brantford, Ont., has reduced debenture debt by $1.1 million in three years while another $2.2 millions will be paid off during the next five years under the "pay-as-you-go" policy being followed. If there is no further debt added, this will be equal to a 6-mill cut in the tax rate. Some reduction is proposed for next year. Surplus of $22,483 is looked for this year, according to E. A. Danby, treasurer.

* * *

Chilliwack, B.C., reports collections of taxes this year to date of $92,287 or 86% of total levy. Together with arrears, the figure totals about 98% of levy.

* * *

Brandon, Man., is urged to settle its debenture debts by O. L. Harwood, city supervisor. He suggests a compromise settlement be worked out on a cash basis between the city and bondholders. Since default of interest and principal payment in 1937, Mr. Harwood adds, Brandon's financial position has shown marked improvement.

* * *

Windsor plans to close leaks in revenues from business taxes by closer co-ordination between treasury and tax collection departments.

* * *

Hamilton reduced its per capita debt from $151.17 to $140.33 between Jan. 1 and Nov. 15 this year, according to E. R. C. Bower, treasurer. Gross debenture debt of $28.6 millions at the end of 1936 compares with $21.9 at Nov. 15, last.

* * *

Edmonton reports construction permits of over $2.5 millions in the 12 months ended Oct. 31, up about $1 million from the previous year. This is the primary reason for a jump of $1 million in assessment—to be reflected favorably in the 1941 period.

Tax collections since 1935 have not failed to exceed 100% of levy, with further increases in 1940. Collections of $3.3 millions to Sept. 30, last, were ahead by $93,274 from same period a year ago. Tax rate has been cut 2½ mills in the past two years. Capital improvements totalling $500,000 during 1938-40 have been paid from current account.

* * *

Calgary reports tax arrears collections of $524,467 for the first 10 months of 1940 or 64.52% of the total collectable—a gain of 3.2% over the percentage received of that collectable at the same period last year. Total of 80.8% of current taxes have been collected, compared with 78% a year ago.

* * *

Fort Erie, Ont., reports outstanding debt at Nov. 15, 1940, at $1.5 million, including bank loans, down about $241,000 from Dec. 31, 1934, when the municipality defaulted on principal and interest. Total of $641,459 has been paid in 1940, representing interest and principal under the refinancing plan of last year. In addition, $47,979 of principal debenture debt has been retired by open market purchases, representing an annual interest saving of about $2,500.

* * *

New Westminster, B.C., is seeking wider authority for municipal taxation from the provincial government. A committee of the council has met with the municipal committee of the Legislature to seek two amendments to the Municipal Act. One would enable private hospitals, operated for profit, to be taxed. The other would permit the levying of trade licenses on beer parlors.

* * *

London, Ont., is seeking a reduction in the amount of tax-free property. Assessment Commissioner H. J. Bennett is meeting with a special committee of the Ontario Municipal Association to suggest certain tax-free properties be assessed for land only for the first five years, followed by assessment of both land and buildings. If a decision against assessing either land or buildings is made, it will be suggested exempt properties at least pay school and relief rates.

London has $12.3 millions of tax-exempt property, including $4.1 millions of government property, $541,335 of utilities; $3.2 millions, education; hospitals $2.4 millions; churches, $1.7 millions; and charitable institutions, $398,270.

Loblaw Builds Biggest Store

Construction is under way of a new $50,000 store in Toronto for Loblaw Groceterias Co.—the new unit to be the largest in the Loblaw chain of 114 stores. Floor space will total about 9,000 square feet, comparing with 8,000 square feet for another recently opened unit also in Toronto.

The new store will replace another smaller one located near by. It will be more modern and include all the features of other recently opened units.

This is part of the major expansion programme undertaken by Loblaw's this year and recently outlined in detail in The Financial Post. The programme involves the opening of two new stores and the expansion, modernization or moving to large space of 18 other units. These 20 stores are located in 10 different towns and cities of Ontario.

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C.P.R. Revenue Shows Gain

Net Best in 11 Months; Down From October, 1939

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports net earnings for October of $5.5 millions, the highest of any month since November last year. Returns were substantially above the September figure of $3 millions, but below the $5.8 millions for October, 1939.

Gross earnings of $16.9 millions were higher than in the same month last year, but operating expenses showed a substantial increase to make net earnings $373,526 less than last year.

Best Since 1930

In the 10 months of the year to Oct. 31, net earnings totalled $25.8 millions, against $18.5 millions in the same period of 1939, an increase of $7.2 millions.

Net earnings for the 10 months period this year were the highest for any similar period since 1930, when net totalled $29.8 millions. In the 10 months period of 1929 net earnings totalled $36.8 millions.

Following are comparative figures for October and the 10 months period:

Operating Statement

October:	1940 $	1939 $
Gross earnings ...	16,891,992	16,667,801
Operating exps. ..	11,421,353	10,823,635
Net earnings	5,470,639	5,844,166
10 Months Ended Oct. 31:..		
Gross earnings ..	138,739,804	122,112,223
Oper. expenses ..	112,979,190	103,562,648
	25,760,614	18,549,575

New Controller to Ensure Best Use of Dockyards

By STAFF WRITER

OTTAWA.—Closer control and co-ordination of ship repair facilities in Canada, especially to meet pressing wartime needs of both naval and merchant vessels, is the primary aim at the moment of D. B. Carswell's appointment as Controller of Ship Construction and Repairs.

As Director-General of Naval Construction in the Department of Munitions and Supply, in which capacity he will continue, Mr. Carswell had previously exercised close supervision and considerable influence over ship plants in the Dominion. However, the co-operation he secured was largely voluntary and his authority informal. It was deemed advisable, The Financial Post is informed, to give wider and official weight to his power to use the industry's resources to the best possible advantage.

Furthermore, as Ship Construction Controller he will serve as a member of the Wartime Industries Control Board and will thus be able to integrate operations of the shipyards and dockyards more closely with other industries.

Difficulties Foreseen

No serious difficulty has as yet arisen, The Post is told, in regard to utilizing shipyards at the capacity and production rate required for war purposes, or in regard to use of dockyards for ship maintenance and repairs. In the latter field, however, several cases have arisen pointing to possible future delays and lack of facilities for urgent renovations, unless centralized authority were established over both yards and ship operators.

It is expected that Mr. Carswell's office will function as a clearing house of information as to dockyard facilities, equipment and materials, and labor resources available; and as to the urgency of ship repair requirements. It is hoped to ensure that dockyard resources will always be available for the most pressing jobs of ship renovation, through collation of full data, through creation of a standard basis of co-ordinated operation, and use of the controller's authority where necessary.

New Torpedo Boat Plant Built

(Continued from page 1)

marine engines (two for each boat) purchased direct by the Canadian Government in the U.S. The price of these engines is understood to run around $50,000 per boat in Canadian funds, reducing the net contract with the Canadian Power Boat Co. to about $1,680,000.

The Government has purchased a total of 72 of these engines at a cost of approximately $1,800,000. A batch of 24 units will go into the torpedo boats, and another 24 reserved as replacements.

Other Orders

The remaining 24 will be used for six 70-foot crash or rescue boats for the R.C.A.F., also to be built by Canadian Power Boat Co. Each crash boat will carry two engines, and an equal batch of 12 will be held for replacements. Cost of this order for crash boats is estimated at $660,000 or $110,000 per boat (including engines).

In addition, Canadian Power Boat Co. has a Canadian order for six 40-foot target towing boats at a cost of $24,000 per boat or a total of $144,000. Less powerful engines will be used in these craft, which will be for R.C.A.F. bombing practice, where boat speed is not a primary requisite.

The Canadian contracts now held by the company may thus be summarized as follows:

12 torpedo boats	*$2,280,000
6 crash boats	*660,000
6 target boats	144,000
	$3,084,000

*Including engines supplied by Government.

Future Operations

In view of the substantial capital investment in the new enterprise, it would appear probable that further orders from Ottawa, and possibly also from Great Britain, are in prospect if not tentatively assured the company. This is given color by the fact that the present contracts provide for no plant amortization allowance, by which the outlay on the project would be partly or wholly absorbed in contract payments. This might also indicate that continuation of the enterprise as a power boat plant for peacetime requirements is contemplated.

The design and function of the motor torpedo boats has attracted widespread attention on both sides of the Atlantic. Equipped with torpedo tubes and other armament, the craft can attain exceptionally high speeds—40 to 50 miles an hour or higher, depending on water conditions. They are designed to sweep in suddenly at enemy vessels, release one or more torpedoes, and zoom away again at speeds making it difficult to hit them.

There has also been some controversy regarding the merits of the craft, especially in respect to their ability to stand up under the terrific pounding they get when run at high speeds in the open ocean. However, The Post is informed that the performance of the boats was carefully investigated by Canadian ship experts before the contract was awarded to Canadian Power Boat Co.

Passed Tests Well

These experts learned, it is said, that trial runs in the U.S. of the test boat shipped over from England showed the craft able to withstand "gruelling punishment." Ottawa was also advised that British authorities vouched for Mr. Scott-Payne's designs and status as a boat builder; that such boats were still being built for British use; and that London would have been glad to take over the 23 boats being built in the U.S. if this had been possible.

The special designs for the boats and Mr. Scott-Payne's experience in their construction and operation, date back a number of years. In peacetime Mr. Scott-Payne achieved considerable fame as a builder and racer of fast speed boats, and he drove the well-known craft Miss Britain III in the boat races at Detroit in 1933. In England his company has built crash boats, target craft, and anti-submarine vessels, as well as the torpedo boats.

The Scott-Payne project is an outstanding feature of an extensive small boat programme undertaken by the Munitions & Supply Department for the Navy, Air Force and other war services. To date orders have been placed for over 350 small craft of various types and sizes, about half of which have been completed and delivered.

It was recently announced that contracts would shortly be placed for 40 more small boat units, including aircraft tenders, bomb-loading dinghies, and scows for various purposes.

Including the three groups of boats being built by Canadian Power Boat Co. — contracts for which were signed only recently—and a number of completed orders, the craft called for in orders to date are officially listed as follows:

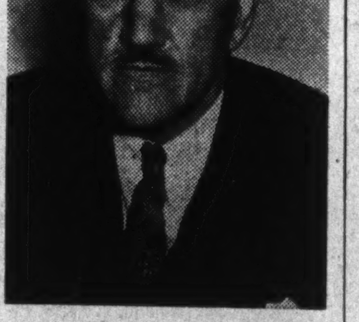
No. of boats	Type of Craft	Length in ft.
2	Ammunition lighters	79
2	Provision lighters	55
8	Crash boats	35
9	Aircraft tenders	18
17	Bomb-loading dinghies	18
3	Diesel launches	35
1	Steel launch	30
134	Pulling boats	16
1	Service boat	60
2	Service boats	45
10	Cutters	32
24	Service dinghies	16
6	Rescue launches	65½
12	Lighters	51
24	Rowboats	15
3	Supply-salvage boats	84
6	Armoured target boats	40
6	Crash boats	70
12	Motor torpedo boats	70
3	Practice targets	108
1	Practice target	42½
1	Target towing tug	95
31	Whalers	27
4	Towing targets	31
19	Scows	50
11	Refuelling scows	56

Bigger Ships

In the meantime, the Department's programme of larger ship construction—corvettes, minesweepers etc,—is reported progressing favorably. The recent announcement of plans to undertake construction in Canada of 18 freight ships of 9,500 tons carrying capacity each for the British Government has not yet materialized in the shape of actual contracts or start of construction.

It is understood that this programme, forecast some time ago by The Financial Post, has been the subject of preliminary negotiation between Canadian and British authorities and Canadian shipyards. So far, however, they have not progressed far enough in regard to price and other terms to permit actual initiation of the plan. The intention is to build 12 in eastern yards, six in western plants.

For the time being, it is said, both the freight ship scheme and the announced plan to build destroyers and perhaps cruisers in Canada stand as projects which it is declared policy to undertake in Canadian yards. It is a little early, however, to say when they will start. The construction of destroyers or other naval vessels in this country would take a great deal of preparation and expansion of both labor and equipment resources and probably would require several years to complete the first vessels.



NEW CONTROLLER

D. B. Carswell, whose authority and control over wartime shipbuilding activity in Canada has been widely extended by his recent appointment as Controller of Ship Construction and Repairs. As such, he also becomes a member of the Wartime Industries Control Board. Mr. Carswell will continue as Director-General of Shipbuilding in the Department of Munitions & Supply, but his new appointment gives him vastly more power to control and co-ordinate wartime operations of Canada's dockyards, shipyards and boat plants. Formerly vice-president and managing director of Canadian Vickers Ltd., Mr. Carswell, at the outbreak was marine superintendent of the Dominion Department of Transport.

Dominion Govt. Renews Loan For Alberta

From Our Own Correspondent

MONTREAL. — The Dominion Government has renewed for one year a $6,192,000 loan to Alberta by Order-in-Council. The loan was made under the Unemployment and Agricultural Assistance Act and matured Dec. 1.

Dominion Bridge Co. To Supply Depot Steel

From Our Own Correspondent

MONTREAL. — Dominion Bridge Co. has been awarded a contract by the Department of Munitions and Supply for $82,000 of steel work for the new overhaul depot to be constructed at Edmonton, Alta.

From Dad TO ALL THE FAMILY

Only a Filmo 8 Offers These Features
- Lifetime guarantee
- "Drop-in" threading of film—no sprockets
- Built-in mechanism for slow-motion and animated-cartoon filming
- Automatic sealed lubrication
- Adaptability to grow with your skill

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Makes Movies at Snapshot Cost

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Come in and let us show you how easy and inexpensive it is to make fine movies with a Filmo. Just press the button—*what you see, you get,* in black-and-white or full, natural color. Precision-built by the makers of Hollywood's professional equipment, Filmo 8 is the smallest, finest, and lightest 8 mm. movie camera—the ideal family gift.

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Of course, Betty is thrilled. What girl or boy wouldn't be, by a Christmas gift of a Royal Quiet De Luxe Portable!

Dad is feeling pretty pleased with himself, too. He's looking ahead — to the day when Betty may have a job as stenographer or secretary. Much better for her chances of advancement to learn typing on a Royal — the only portable typewriter with a keyboard *identical* with that on a standard office machine.

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See the new Royal Portables . . . compare them with any others . . . and enquire about such exclusive Royal features as MAGIC* MARGIN, TOUCH CONTROL* and Locked Bob-less Shift. There are four great models to choose from. Prices, including handsome carrying case, range from $39.50 for the Mercury to $75 for the superb Quiet De Luxe.

*Trade Mark

All Canadian Royals are made by this unit of the world's largest organisation devoted exclusively to the manufacture of typewriters.

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1941 FORD Trucks are on the Job . . .

TO SAVE YOU MONEY!

There are important jobs to be done in Canada . . . done fast, efficiently, economically. These are the jobs that Ford Trucks take in their stride—for they're built to do more work, in less time, at lower cost!

FOR 1941, Ford Trucks provide power, ruggedness, reliability and PROVED ECONOMY. Again ahead of the field, the 2-Tonner's pulling power is considerably increased for 1941 because its 95 h.p. engine now develops 178 lbs.-ft. of torque. The *newly styled,* massive Ford V-8 Trucks, with 59 body and chassis types, three V-8 engines and eight wheelbases, supply a Ford unit for more than 95% of all operations.

1941 Ford Trucks are even better than their predecessors and that's saying something—*for Ford Trucks have led Canadian sales in 22 out of the last 26 years, and in every one of the last six years.* To know why Ford Trucks again lead the way, compare them—chassis for chassis, feature for feature, price for price—with *all comers.*

Ford power and economy can't be matched by any other truck at the price. Ford trucks haul heavy loads faster and with greater thrift because they develop higher torque over a wider range of top-efficiency speeds.

Ford Truck dependability is a by-word the world over. That's because every single important part of a Ford Truck is built with *extra* ruggedness. And if a truck should ever need attention, Ford service is universal.

Accept your Ford Dealer's invitation to make an "on-your-job" test. See the new 1941 Ford Trucks *in action!*

CANADIAN TRUCKS FOR CANADA. No trucks sold in Canada utilize a higher percentage of Canadian material and labour than those manufactured by Ford Motor Company of Canada, Limited. An estimated 100,000 Canadians derive their livelihood, wholly or in part, from the Company's operations. Canadians who buy Canadian Ford products put their money to work at home.

LOW 1941 PRICES MAKE NEWS!

Factory retail prices reduced $26 to $32 on Cab-over-Engine chassis with cab. Commercial car chassis with cab increased only $12. Regular truck chassis with cab increased only $16.

LOW-COST TRUCKS FOR LOW-COST HAULING

FORD V-8 TRUCKS AND COMMERCIAL CARS ½ TO 3 TONS

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, DECEMBER 7, 1940 | 10c a Copy; $5.00 a Year | No. 49

Investing in Wartime—

Experts Stress Importance Of Continuous Supervision

A dozen or more investment advisers are hardly likely to agree entirely on what their policy would be at any given time, or to choose the same dozen or so stocks out of the hundreds available.

But there is one phase of investment policy on which entrants in The Financial Post's "Investing in Wartime" contest do agree. They were unanimous in stressing this phase a year ago when sending in their entries. They are still unanimous on it after a year of war.

They all come together on the necessity of supervision—continuous and expert supervision. One man may hold that supervision is necessary to determine the timing of any purchases or sales. Another may stress that it is vital to have continuous supervision to avoid the dangers of an economy which the war is changing beyond all recognition of a year or two ago.

But they all emphasize that no list of securities can be bought and forgotten about. This road leads to inevitable loss and disappointment.

Long-Term Policy

It is quite feasible—and desirable—to outline a long-term policy of investment in general terms. In fact better results can be achieved if the objective is determined in advance. But within the limits of this general policy lies the whole field where constant supervision is needed.

This week The Post publishes four more letters from contestants of a year ago, outlining what changes, if any, they would make now and discussing the present position of investment policy. More of these letters will be published in succeeding issues.

These men, and others whose letters have already been published, retain a strong faith in Canada's mining industry. They apparently see government policy tending to favor stimulation of gold production, output of copper, lead and zinc. Thus it is noticed that more than one would now enlarge his holdings of gold stocks; some would sell such base metal securities as Consolidated Mining and Smelting.

There is, moreover, a noticeable tendency to favor certain promising young mines, even more than the established properties. Outstanding in this favored category are Macassa, Kerr-Addison, and East Malartic.

Faith in Bonds

There is no evidence of lack of faith in good bonds. Inflation, or fear of it, has apparently made little progress in the past year, if one is to judge by the results obtained from holding high-grade bonds. But there is little tendency to lengthen maturities in bond holdings. Apparently present prices are thought to be high and near the theoretical ceiling. There are lots of room for bonds to go lower but not so much more height to which they can aspire.

Without exception, most disappointing performances have been given by stocks selected primarily on the basis of their wartime activities. Some contestants chose such stocks a year ago, in spite of a feeling that such a policy involved dangers of disappointment. Now they admit that their forebodings are justified.

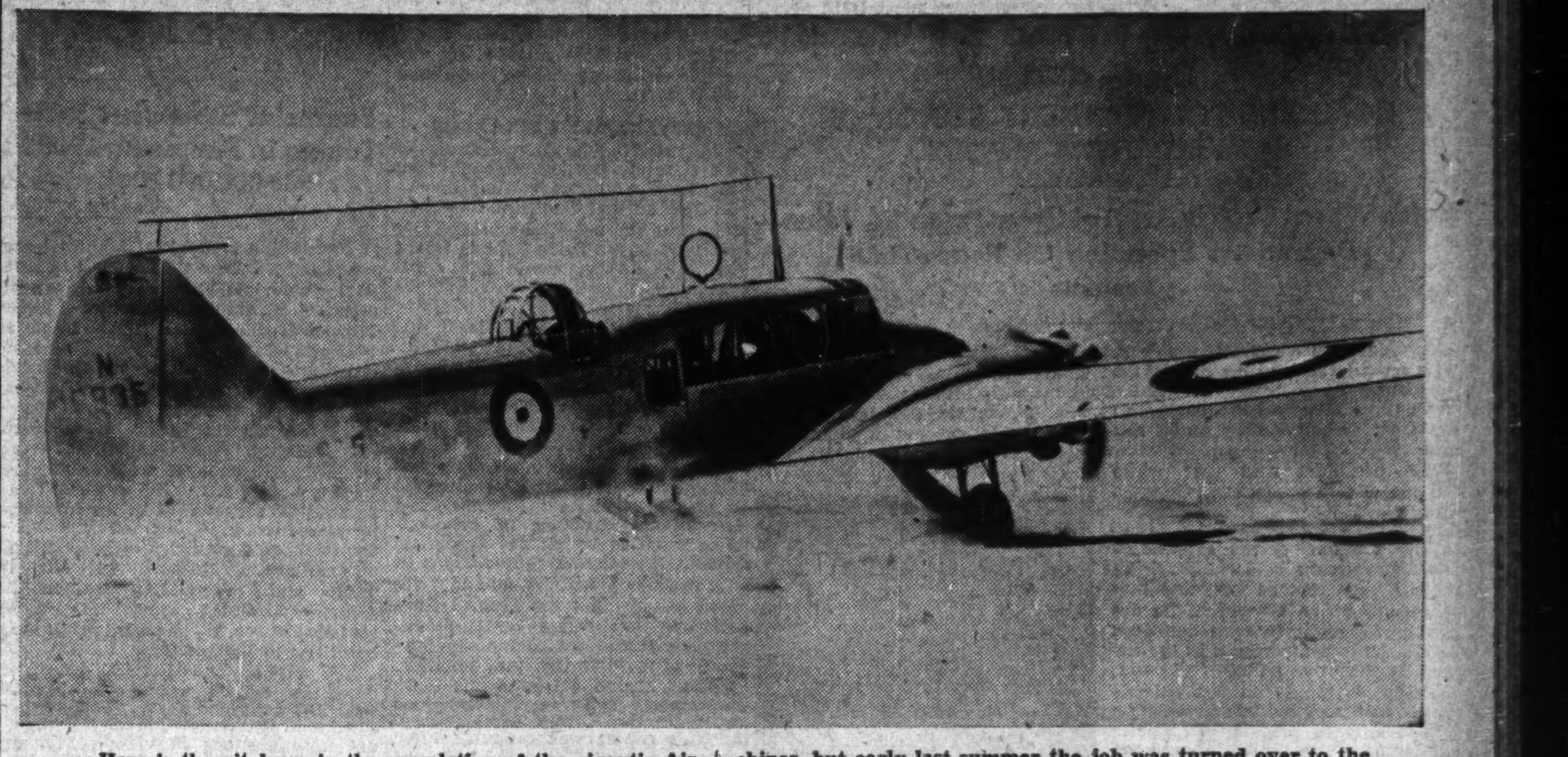
The recommendation today seems to be to stress the long-term viewpoint. They look beyond the war and want to know what will happen to any company in the inevitable adjustment period. Will it have a continuing peacetime market for its output?

View on Taxes

Then there is one other feature which all comments have in common. It is a sober view of the effect that taxes—present and prospective—will have on investments.

Finally, there runs throughout all comment a continuing respect for the tried and proved standards of investment measurement. A company still has to have efficient and honest management. It must have an established market for its goods or services. It must have financial stability and be making steady upward progress.

A portfolio must have diversification, enough to avoid the risks of having all your eggs in one basket but not so much as to make adequate supervision by a busy man impossible. Securities must be marketable; income should be increasing—a particularly vital consideration when higher taxes are almost a certainty. Appreciation in market values should be expected on at least as good a scale as the market average.



Here is the vital cog in the completion of the gigantic Air Training Plan, the twin engined Avro-Anson bomber trainer. Originally Great Britain was scheduled to supply these machines, but early last summer the job was turned over to the Government company, Federal Aircrafts Ltd. Grave doubts are expressed regarding early delivery.

Airplane Tangle—

Training Plane Shortage Threatens Big Air Plan

From Our Own Correspondent

OTTAWA.—Success or failure of the gigantic Empire Air Training Plan hinges on the supply of Avro-Ansons. Without a steady supply of these machines or a similar type, from next spring on, the army of Empire airmen training in Canada may encounter serious difficulties.

The Training Plan calls for a large number of these twin engined Ansons. Total available supply in Canada at present is said to be less than a fifth of the total required. For the remainder the authorities are largely depending on Federal Aircraft Ltd., a government company set up last summer for the sole purpose of producing these trainer bombers.

Officially no concern has been expressed regarding the progress of Anson production, but aircraft manufacturing circles, The Financial Post is informed, are worried.

Under the original Air Training Plan there would have been a large number of Ansons now available for advanced training. Assuming that training is up to schedule, and all official reports would lead one to believe that such an assumption is reasonable, then there must be a serious shortage of these machines now. Moreover as training of young airmen proceeds this shortage gets more critical.

The Anson is a vital cog in the Air Training Plan. Without practice in handling this machine or similar type no airman is ready to take up a service or combat plane. To produce fully trained airmen for the fighting forces, the recruit goes through five definite flying stages. Modern fighters and bombers are far too big, powerful and intricate to be handled by a novice. One must work up to their control carefully and gradually.

First flights are made on primary trainers, like the Tiger Moth or the Fleet Trainer. These machines, it is reported, are now available in sufficient supply for the Air Training Plan. Second stage is the Harvard, an intermediate trainer. There are said to be sufficient of these to meet growing demand. Then comes the Fairey Battle, the largest of the single engine training planes. A few months ago it was a service or fighting craft. Now it is obsolete in this respect but excellent for training in the advanced stage. There is reported to be no serious shortage of this craft nor of the Airspeed Oxford which is the first twin engined plane the novice is allowed to fly.

Fifth and final link in the training programme is the big twin engine Avro-Anson and here, The Post is assured from many quarters, there are no Canadian machines yet available and little hope of getting any certainly before next March.

Originally Britain was to have supplied the bulk of the training machines in the Air Training Plan, including all the Ansons. Up to the fall of France the Mother Country had provided them. Then word came to Canada that no more Ansons could be shipped, but Britain would finance manufacturing on this side of the water.

Federal Aircraft was set up early last summer to handle the job. The machine was farmed out among four main Canadian aircraft companies, and some $8 millions worth of engines ordered from an American plant.

The farming out idea, The Post is informed, has not worked well. There has been delay in designing. To make the American engines fit, there had to be a change in mountings. It is stated that there were mistakes made here and more delay. Other changes have been made in design to permit Canadian production.

Not one of half dozen manufacturers interviewed by The Post would hazard a guess as to when commercial production of Ansons can start. The machines are wanted now and will be seriously wanted in a matter of weeks, yet full details of all subcontracts have not been worked out yet, The Post is told. Final designs are not yet fully completed.

Where manufacture is broken up among several companies and in the case of the Anson, total of main and subcontracts is said to run into the hundreds, then, of course, every single part must be fabricated and ready for assembly before a single machine can be built. One lone nut, one screw or a piece of wire may prevent assembly. There must be utmost co-ordination. There has been no reassuring official word as to the uniform progress of vital subcontracts.

The Avro Anson is not a quickly built airplane. It requires from 20,000 to 30,000 man hours, The Post is told. To turn out 10 a week we would require 5,000 workers working eight hours a day every day except Sunday. And we will need 20 or 30 Ansons a week if full development of the Air Training Plan is to be achieved.

Brian N. Barrett

Investment Counsellor, Toronto, awarded Honorable Mention prize.

During the period October, 1939, to November, 1940, this portfolio has depreciated in market value approximately 9.13%. By comparison the Dow-Jones industrial average declined 15.74 points or 10.23% and an average of 31 American investment trusts declined 10.6%.

This decline reflects in part the market collapse subsequent to the fateful months of May and June, 1940, from which, unlike the British, the market here has failed to recover completely and to rise to new heights. Also it reflects the uncertainty of our tax situation. The income from the portfolio was estimated at $2,570 to 5.22% The actual receipts would be $2,878 or $5.85%. Income is up $308, or 12%.

There has been no change in the management of the companies concerned, which during the 12 months has in each instance fully justified the confidence of the investor. With two exceptions all these companies are operating at a higher rate than one year ago. The two exceptions, International Petroleum and Canadian Canners, have been adversely affected by the collapse in Europe.

International petroleum appears to be the one stock about which there is reason for concern. During the year the dividend was reduced and has just recently been further reduced. Expansion in Venezuela has been completed but the blockade has severely curtailed shipments to the European market. The anticipated heavy demand for oil in mechanized warfare has not materialized. Fundamentally, however, to the writer this company still has merit in peace or war. Its earnings are not subject to Canadian federal taxes.

Canadian Canners is operating at a high rate of capacity although not as high as last year. The last annual report was most satisfactory, showing the largest earnings in many years. Using the overall method, bond interest and the 5% preferred dividend combined were earned 5.39 times and during the 12 months under review a participating dividend was paid.

Positions Improved

Canadian Celanese has improved its position to the point where the participating privilege of the preferred has functioned. During the year $1.16 was paid in addition to the regular $7. Current operations are proceeding at capacity.

Developments in Noranda and its subsidiaries have been very satisfactory. Not only does it continue to be one of the largest gold and copper producers but it maintains its success as a developer of new properties.

Distillers-Seagrams shows continued improvement. The annual statement just issued shows earnings of $60.62 available for the preferred stock dividend requirements of $5 per share and 3,300 shares retired by sinking fund.

Fanny Farmer is growing in stability. It paid in addition to its regular $1.50 dividend a bonus of 25 cents per share.

Simpson's Limited is doing big volume business. The exigencies of the tax situation, however, may defer indefinitely further payment of back dividends: $6.50 plus $1 was paid in 1940, the regular rate of 6½% being resumed. In 1939 $5 plus $1 was paid. Financial position is the strongest in its history.

Union Gas is pushing ahead and while utilities appear to have less opportunity to offset higher taxes by excess earnings the Union Gas dividend is well protected. This year. $1.20-$1.30 is indicated after taxes.

Consolidated Mining & Smelting is in big production although prices are fixed. During the 12 months smelters paid two bonuses, 50 cents in July, 1940 and $1 in Dec., 1939.

Tax Big Question Mark

The big imponderable facing all Canadian companies is the tax situation. While it may be possible to predict with some degree of accuracy the volume and net before taxes of a particular company, there is at present no known base from which to calculate "net after taxes."

To state that one would make no change in this portfolio is to invite the immediate criticism of a sublime egotism or a stubborn refusal to admit error. Fortunately and/or unfortunately, each one of the securities in question is included in an actual portfolio under the writer's supervision. During the period under review no change whatever has been made with regard to these securities and at the moment none is contemplated.

The chief considerations given for the original selection hold good in large measure: management, diversification (not too complicated), marketability, a degree of inflation hedge, possibilities of increased income, and appreciation.

Industries represented are fundamentally sound: base metals, oil, gold, food, distilling, natural gas, retail distribution and a modern synthetic textile fulfilling every prediction of vigorous growth.

It must be assumed that our theoretical businessman still has that adequate income from his own business—that the mortgage remains lifted from the old homestead and he continues fully insured. Therefore, that he may still afford some element of risk even in these uncertain days.

Such being the case the writer in turn still feels that this portfolio is eminently suitable, particularly in its increased income factor. For, even before the war of 1939-19— the principles of taxation in Canada appeared to be based more and more on the text which reads "from him that hath not shall be taken even that which he hath." Tax vobiscum.

Security: Shares:		Cost Oct. 24 1939 $	Value Oct. 31 1940 $
100	Consol. Mining	5,100	4,000
100	International Nickel	5,000	3,700
200	Inter. Petroleum	6,000	2,900
60	Noranda	4,800	3,525
250	Can. Canners, 1st pref.	5,000	4,875
50	Distillers-Seagram pf.	4,400	4,400
200	Fanny Farmer	4,800	5,400
40	Can. Celanese, pref.	4,800	5,000
50	Simpsons, pref.	4,800	4,975
300	Union Gas	4,500	4,650
		49,200	43,425

Allan P. Fisher

Awarded an Honorable Mention prize, Mr. Fisher is connected with the Toronto investment firm of Allan B. Fisher & Co.

When, a year ago, we made up a little $50,000 parcel of investments for our businessman, tied it in a handkerchief and sent him out to face a sorely troubled world, he received a little fatherly talk about the necessity to keeping the contents of his bundle in constant review, lightening and adding to it as experienced fellow travellers advised and as his environment dictated; he was not to keep his heavies on, for instance, if he found himself south of the fortieth parallel of latitude.

In other words, his was to be a managed portfolio, and if he was listening it would therefore not now be exactly the same portfolio he started out with. As he encountered new legislation, economic and industrial changes and a radically changing international situation, he would have changed his bundle accordingly. If we opened it today, 12 months later, what should we find?

One of the most important developments he would have encountered (not entirely unforeseen in his original portfolio) would be the excess profits tax and higher corporation income taxes. The latter taxes bear heavily on companies which, over a number of years, have barely covered their dividend requirements and therefore have only a small margin to work on to maintain their income attractions. Again, industries such as the milling and machine tool industries which, after a number of lean years, have experienced sharp expansions in earnings, find the excess profits tax a much harder burden to bear than industries whose earnings have been more constant and have fluctuated to no great extent. These conditions would have materially influenced changes in the portfolio.

Sometime before a Canadian oil controller was appointed, our man must have observed that the tightening requirements of foreign exchange would probably make rather vulnerable the position of those industries such as oil which depended largely on imports from the United States for their raw materials, also the action of the Foreign Exchange Control Board in prohibiting companies to draw from surplus in order to pay dividends would have influenced his decision to reduce his original holdings of oil securities, which in his original portfolio constituted only 4.8% of his list—this group would have undoubtedly been further whittled.

Gold Stocks

Another group which would have been materially affected would be his original selection of gold stocks. This group would undoubtedly have been materially increased because of the Government's desire to produce as much foreign exchange as was consistent with their economic policy. I feel that in adding to this particular group such stocks as McIntyre, Kerr Addison and Macassa Mines would undoubtedly have been my choice.

It will be worth our businessman's while to pay particular attention also to the action of the board which has been appointed for the purpose of deciding on what basis the newsprint companies may be taxed without undue hardship being enforced on the equity holders. This group would probably be increased if the action of this committee is not excessive.

Well Satisfied

Subject to the above general comments, I do not feel that the portfolio is in too bad a shape at the present time and the proportions, in my opinion, are still about right. It might be pointed out that the only way a man could have maintained his principal during the past year would have been to put the full amount in government bonds, or keep it in cash at a considerable sacrifice of income. Unless, of course, he achieved the impossible and put entire $50,000 in one particular issue which had market appreciation over the past 12 months. We have our man, I feel, as well buttressed against the omnipresent threat of inflation—(through his investments in foods and heavy industries) as is coincident with good judgment.

I would, however, again and more than ever urge the necessity of keeping the portfolio under constant supervision, as the radical changes in Canadian economy (industrial, political and international) which we have seen in the past 12 months, do not appear to have reached an end by any means. Particularly would I recommend keeping close watch on the taxation picture, which will undoubtedly be subject to further quick and vital changes.

Bonds: $		Cost Oct. 27 1939 $	Value Oct. 31 1940 $
5,000	Dominion, 3¼/49	5,037	5,087
2,000	Ontario, 3¼/47	1,990	1,975
3,000	Candn. Canners, 4/51	3,150	3,000
3,000	Dom. Steel & Coal, 6¼/55	3,510	3,180
3,000	Price Bros., 4/57	3,210	2,640
3,000	Winnipeg Electric, A 4-5/65	2,340	1,605
Stocks—Foods Shares:			
50	Can. & Dom. Sugar	1,650	1,450
25	Canada Packers, c.	2,500	2,181
50	Ogilvie Flour, c.	1,750	1,225
50	George Weston, c.	625	600
Heavy and Allied Industries			
50	Dom. Foundries, c.	1,975	1,200
25	G. Stl. Wares, 7% p.	2,275	2,256
25	Massey-Har., 5% p.	1,450	850
25	National Steel Car	1,800	1,094
Power			
50	Gatineau Power, c.	763	563
Oils			
50	Inter. Petroleum	1,400	725
25	Royalite Oil	1,000	556
Base Metals			
50	Inter. Nickel	2,500	1,850
50	Noranda Mines	3,950	2,937
Textiles			
50	Can. Celanese, c.	1,125	1,562
25	Dominion Textiles	2,250	2,075
Pulp and Paper			
50	Gt. Lakes Paper, p.	1,425	925
Golds			
50	Dome Mines	1,450	1,150
500	Preston East Dome	875	1,425
		50,000	42,695

Trevor F. Moore

Awarded an Honorable Mention prize, Mr. Moore is a member of the Toronto investment firm of McLeod, Young, Weir & Co.

"No one today presumes that a portfolio of securities, however carefully selected, can be maintained over a period of years." The above is obvious to the intelligent investor, and these remarks were contained in the article submitted by the writer in The Financial Post's contest, "Investing in Wartime," in Oct., 1939. The presumption is that no changes have been made since the original portfolio, and we are looking at the portfolio now with a view to making any changes in the light of events which have taken place during the past year.

The securities contained in groups No. 1 and No. 2 of my portfolio which accounted for about 40% of the total investment, were selected because they were to provide the investor with security, minimum of fluctuation, and liquidity. The aim for these two groups was achieved, and in fact, one of the convertible securities in group No. 1, namely, Russell Industries preferred, has risen in value some 25%. The question arises as to whether or not the time has come to take the profit which is available in this stock. Generally speaking, there is no doubt that it is far more difficult to decide when to sell than when to buy; while the axiom "one never loses by taking a profit" has merit, it does not always work by any means when put into practice.

7% Dividend

The writer has decided to leave this stock in the portfolio principally because the dividend of 7%, to yield at cost 5.5%, is well covered by earning power, and the stock is convertible at any time each share into 10 common shares. The common stock is quoted around $18 per share, and pays and earns a dividend of 80 cents per share per annum.

Thus, we would leave all the securities in groups No. 1 and No. 2 intact.

According to The Financial Post issue of November 16, the writer's portfolio showed a decline in market value over the period of 11.1%, while actual income was very slightly better than estimated income. This decline was occasioned chiefly by the securities placed in group No. 4, which were to benefit directly or indirectly from war, and in part by the stocks considered sound equities or growth stocks in group No. 3.

The excess profits tax limiting corporate profits and dividends, indeed endangering some existing dividends, has upset the calculations of one year ago. This factor alone justifies a change in the portfolio.

Therefore, we would recommend the sale of certain securities outlined below, because in our own opinion dividends are somewhat vulnerable as a result of the excess profits tax, and the companies may not be able to record sufficient growth in earnings to offset increased tax payments. We would, therefore, sell:

100 shares Gatineau Power common

50 shares Asbestos Corp. common.
25 shares Ogilvie Flour common.
25 shares Price Brothers common.

These securities would realize approximately $2,850, and they have been providing an annual income of $165. With the proceeds we would purchase:

25 shares McIntyre Gold Mines, 50 shares Hollinger Mines to be inserted in group No. 3.

100 shares Macassa Mines, 100 shares East Malartic and 100 shares Kerr Addison to be placed in group No. 4, more speculative.

Annual Income

These would cost approximately $3,000, and produce an annual income in the neighborhood of $210.

We have already given our reasons for selling the above mentioned four industrial stocks, and we have suggested placing more than half the proceeds into well established mining properties—McIntyre and Hollinger—and the balance in what the writer considers are up-and-coming mines. Up to the time of the last World War, the use of monetary gold increased as trade expanded, and demand even exceeded the supply. So long as there is a fair chance of the world finding its way back to prosperity, there would seem to be little fear that gold will become useless. If one believes there will never be a revival in international trade, one cannot have much hope for gold, and its place in our international picture. On the other hand, in the belief that eventually the world will have to set about the reviving of international trade, gold will have its place as it has done in the past.

Five More Stocks

Four mining camps are represented in the five mining stocks selected. We do not have the space to dwell upon each one of these stocks; suffice it to say that in our belief ore reserves in each case are substantial, operations to this date satisfactory, and management efficient.

Undoubtedly the investor who in October, 1939, placed his entire funds in Dominion of Canada and prime corporate bonds, has had the happiest experience. It would appear as though he will continue to have this experience for some little time to come. In spite of this, the writer prefers to attempt to avoid possible future pitfalls by continuing the policy of a broadly diversified portfolio.

ORIGINAL PORTFOLIO

Group No. 1—Government and Corporation Bonds—16.4% Amount: $		Cost Oct. 23 1939 $	Value Oct. 31 1940 $
4,000	Dominion, 3/42	4,120	4,100
2,000	Nat. Grocers, 4/47	2,000	2,010
2,000	Gatineau, 5/49	2,080	2,040
Group No. 2—Convertible Securities—23.1%			
4,000	Montreal Power, 3/49	3,840	3,960
25 shs.	Moore Corp., A pref.	4,500	4,500
25 shs.	Russell Indust., pref.	3,200	4,250
Group No. 3—Sound Equities—36.2% Shares:			
50	Loblaw Groc., A	1,425	1,325
50	Can. & Dom. Sugar	1,650	1,450
10	Can. Industries, B com.	2,300	2,210
75	Inter. Nickel	3,562	2,775
100	Gatineau, com.	1,450	1,125
25	Page-Hersey, com.	2,700	2,725
50	Shawinigan, com.	1,137	913
50	Noranda Mines, com.	3,888	2,937
Group No. 4—Securities which should benefit directly from war—22.7%			
25	Nat. Steel Car, com.	1,875	1,094
25	Dom. Foundries, com.	1,000	600
50	Ford of Canada, A	1,150	862
50	Asbestos Corp., com.	1,225	788
100	Inter. Petroleum, com.	2,850	1,450
25	Ogilvie Flour, com.	875	612
50	Maclaren P. & P., com.	975	850
25	Price Bros., com.	550	337
50	Can. Steamship, pref.	850	800
		49,202	43,724

Leon Frazer

Investment Counsellor, Toronto, awarded Honorable Mention prize,

In submitting the investment portfolio on Oct. 31, 1939, for a businessman with $50,000 who was ready to accept the ordinary risks of business and investments, it was understood that such a portfolio was to be retained over a reasonable period of years, and which would require a minimum of attention during the vicissitudes of war and eventual peace.

The same doubts, fears and problems that existed a year ago still exist today perhaps in a less critical form. Accordingly, having designed the portfolio to meet any contingencies, through balanced diversification in classes of securities and industries a year ago, I feel that the basic plan is still as sound as when conceived. A few changes in individual securities might be made but I doubt whether in the long run such changes would make any appreciable difference.

Effervescent Year

It is interesting, however, to analyze the position of the portfolio as at the end of the first year, Oct. 31, 1940, a year which has clearly shown how effervescent prevailing trends of public opinion can prove to be under existing conditions. If one had followed day-to-day stock market prices, it was possible to believe in June that the Allies faced disaster and that the war would be ended by a complete German victory.

It is not surprising, therefore, that a depreciation in market value of 10.1% in the portfolio should have been experienced, more especially when it is noted that two thirds of the portfolio was represented by convertible debentures and common stocks.

Further analysis shows that 75% of the depreciation was accounted for by the change in market prices of the following securities, in order of demerit, aggregating 33% of the original capital:

Candn. Car & Found., 7% pref.	32%
Ogilvie Flour Mills	30%
Imperial Oil	27.2%
International Nickel	25.7%
Noranda Mines	24.7%
British American Oil	23.4%
Hudson Bay Mng. & Smelt.	21%
Price Bros., 4% debents.	17%
Building Products	16.2%

Earnings Stand Up

Under normal conditions it is usual to expect that depreciation in market prices is the forerunner of decreasing earnings and consequent reduction in dividends. In only one instance, viz, Imperial Oil, did this actually apply.

The stimulating effects of the national war programme indicates that all companies enumerated above should maintain or improve current earnings sufficient to maintain or increase current dividend rates.

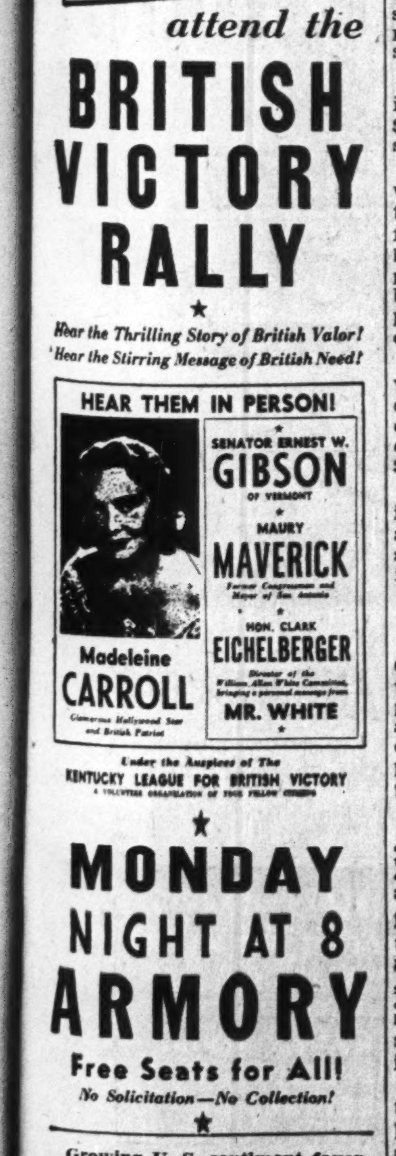
The calculated income for the past year was 3.9%, whereas actual dividends received have been at the rate of 4.68%, at least sufficient improvement to offset the 2% National Defense Tax. Excluding from the portfolio Government bonds and one non-income bearing security the yield on market values as of Oct. 31, 1940, was approximately 5.8%.

This yield on sound equities during a period of business expansion seems to provide ample scope for the required appreciation of 11.23% to show the original capital intact. The D. B. S. Industrial averages will require a recovery of 36.36% to recover to the level seen on Oct. 31, 1939.

Sees More Confidence

Under war conditions with changing export markets, price control, foreign exchange control, increasing corporation taxes, excess profits tax, contributory unemployment insurance, pension plans, increasing number of government reports and increasing production problems it is incongruous to compare a war economy price level of securities with

(Continued on page 20)



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Under the Auspices of The KENTUCKY LEAGUE FOR BRITISH VICTORY

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MONDAY NIGHT AT 8 ARMORY

Free Seats for All!
No Solicitation—No Collection!

Growing U. S. sentiment favoring aid to Britain, and the active organization of efforts to strengthen support for the battle against the dictators, are reflected in this recent advertisement for a rally sponsored by the Kentucky League for British Victory.

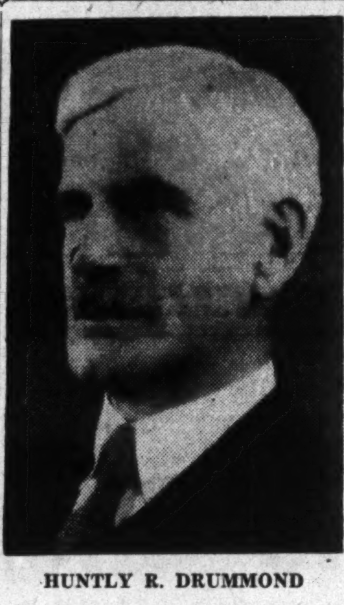
Bankers Review Canadian Business Scene After Year of War

Bank of Montreal President Sees New Problems, New Opportunities Confronting Canadian People

COMMENDS GOVERNMENT ACTION ON ROWELL-SIROIS REPORT

Holds Wheat Crop Is Asset of Great Potential Value—Deprecates Spending On Peace-Time Projects

Culminating a comprehensive review of the Canadian business scene with an enjoinder to his countrymen to "do everything that in us lies to keep our house in order," Huntly R. Drummond, in his presidential address to Bank of Montreal shareholders at their annual meeting last Monday, declared: "When victory comes enormous new tasks, new problems and, greatest of all, new opportunities will confront us."



HUNTLY R. DRUMMOND

The president said that while Canada was at present on the crest of a wave from a business viewpoint, with employment higher than in any previous period and industrial output on a swiftly rising scale, it must not be forgotten that there will be an aftermath. He declared, therefore, that "it behooves us all, while contributing to the utmost in the prosecution of the war, to keep in mind the adjustments which will later become necessary."

"Economy in private and public expenditure," he said, "should be practised to the utmost and projects not relating to the war effort should be postponed to a time when they will not interfere with that effort and when the employment they afford will be needed. We must not throw prudence to the winds, but must do everything that in us lies to keep our house in order. We need prudence in governmental expenditure, prudence in business administration and prudence in our individual commitments.

"We need a determined and united front to limit the inflation of costs of material, wages and the cost of living—the 'vicious spiral' which created such havoc after the Great War, when a staggering readjustment of prices marked the return to a peace-time economy and left widespread misery and ruin in its train. We must bear constantly in mind that conditions such as now prevail cannot possibly last, and that when the inevitable end to them comes, and we enter upon the new chapter in our history and the history of the world, the readjustment will tax every resource that we possess nationally and individually.

"It is not an easy life to which we are being swept, but a hard life. Heavier trials and sacrifices than we have known are likely to be imposed upon us before the curse of Hitlerism is removed from the world. Removed it will be. Life has no meaning for any free peoples unless it be removed, and not all the powers of darkness can prevail against the conscience of mankind, now thoroughly aroused. Already, because of the war, Canada has attained an importance among the nations of the world such as it could not otherwise have attained in generations. When victory comes—and it may be sooner than we expect—enormous new tasks, new problems and, greatest of all, new opportunities will confront us. Let us, therefore, do everything in our power to be worthy of the position which we shall be called upon to assume in the reconstruction of the world on a new and a finer basis."

BANK'S STATEMENT

Mr. Drummond, in his opening remarks, commented briefly on the bank's financial statement which was laid before shareholders. "It is with satisfaction," he said, "I report that, notwithstanding the unusual times through which we are passing, your bank continues in its customary strong position. Our total assets, while showing a decrease from last year, continue at a high figure. Full provision has been made for all losses and we are in a strong position, as always, to meet any contingency.

"Notwithstanding a heavy increase in taxation, willingly borne, profits under a generally larger volume of business have been sufficient to care for this added impost, to pay dividends in the same amount as in the past several years and to carry forward a small margin to our profit and loss account. This result has been due largely to the hard work and loyalty of the bank's staff. In my remarks of last year reference was made to the restriction placed upon bank profits by the very low rates of interest prevailing and other factors, and it is interesting to note that, for the twelve months now under review, on average assets of $973,000,000, which is $66,000,000 more than last year, the net earnings for each $100 of the Bank's assets were 35 cents."

WAR FACTOR DOMINATES BUSINESS INDICES

In reviewing the business situation, the president observed that, while a year ago business was just beginning to feel the impact of war conditions, today the usual economic indices no longer give the true picture of the ebb and flow of business because of the overriding influence of the mobilization and the progressive utilization of every asset the country possesses for the most intensive prosecution of the war.

"We fully recognize the issue which is at stake," the speaker declared. "We know we are fighting for all we have and are, and our whole national economy is geared to that realization. Few of us who were here last year thought Canada could go so far in her war effort in the production of material aid as she has done, and we are just at the beginning. The production of war supplies will be immensely greater next year.

"Of business generally it is sufficient to say that practically every phase of industrial and commercial activity is reflecting the intensity of our war programme. Outstanding has been the importance of our mining industry, only now fully recognized and of the greatest help in stabilizing our exchange. Our railways are showing the highest traffic returns in years. Employment is at such a high level that we are approaching the point where it may become necessary, as in Great Britain, to curtail peace-time activities for the purpose of furthering the war effort."

Agriculturally, Canada had done well during 1940 which, the president said, had been a year of good crops. "Sales of livestock and dairy products," he observed, "have been satisfactory and the aggregate of revenue to the farmer will be large. What, in the final accounting, may prove, perhaps, the largest crop of wheat in the history of the Dominion has been safely garnered. It is one of the very best we have ever had in weight and quality.

"At the moment we are, perhaps, thinking too much of the embarrassment of handling it, but I should like to point out that our great store of wheat is wealth in its best and most tangible form and in present circumstances an asset the potential value of which cannot be estimated.

"Mr. Winston Churchill has said that one of the first tasks to which Great Britain will address itself, when victory is achieved, will be the feeding of Europe's millions—all now on short rations. This is a promise known to the peoples of Europe and its importance will be progressively realized by them. Back of that promise is the tremendous crop of wheat which Canada holds in store."

EXPORTS UP 30%

In the matter of trade abroad, Mr. Drummond remarked that, while the markets of Continental Europe had practically disappeared, the increase in Canada's exports had been remarkable. For the twelve months to September last they totalled $1,150,000,000—30 per cent more than in the previous year. Imports had risen in the same period 46 per cent to $1,005,000,000. Canada's gold production, amounting to approximately $200,000,000 during the past twelve months, was not included in these figures and should be added to the favourable balance of trade.

"The difficulty today," said the president, "is that our debit balance of trade with the United States, which formerly we settled by means of our credit balances with other countries, can no longer be arranged in that way. We have a credit balance with Great Britain and a debit balance with the United States (for war materials) and these must now be settled unilaterally.

"As regards the British account, repatriation of Canadian debt and of securities held in Great Britain is being used as one means of settlement. In the case of the United States, to our excess of imports in the total calculation must be added our interest and dividend commitments to residents of that country, and from this may be deducted our shipments of gold and revenue from the tourist trade. In the result, the balance is against Canada and our dollar is at a discount in the United States. Expenditure by Canadians for travel in the United States has been almost eliminated and our Government has taken control of all Canadian investments in that country and these it can sell if necessary. If, in the operation of regulating the exchange, it should be found advisable to prohibit importation of non-essentials, I am satisfied that this sacrifice by the people of Canada will be made most willingly."

GOVERNMENT FINANCES

In referring to the finances of the country, Mr. Drummond urged economy in all "peace-time expenditures" so that Canada's war tasks might be the better prosecuted. He referred to the Price Control Board by which the government was "zealously seeking to stabilize prices."

"The Excess Profits Tax," the president remarked, "largely eliminates company profits; it is equally the duty of the Government to see that wages, which form the major part of the cost of manufacturing, are not unduly inflated."

On the subject of taxation, Mr. Drummond observed: "War has cast a glaring light on the clumsy and inequitable structure of over-lapping taxation which has grown up within the separate jurisdictions of our various governments, and I am glad to note that the Federal Government has called a Dominion-Provincial conference for the purpose of considering the adoption, without undue delay, of the main principles and recommendations made in the Rowell-Sirois Report.

"This report was compiled after several years of investigation and study by a most sincere and able body of men. If taxation of an essentially national character, such as taxes on income and succession dues, were reserved exclusively to the Dominion Government, as the Commission has recommended, it could be levied with greater equity, efficiency and economy to the joint benefit of government and taxpayer. Business would undoubtedly benefit from a definite allocation as between governments of taxing powers and of control over business, and the saving to the country in costs of governmental administration would be great."

GOVERNMENT CONTROLS

Recalling his remarks at the 1939 meeting on the subject of governmental controls, which while necessary in war-time, must of necessity act as a weight and retardant upon the free operation of business, the president declared: "If only for the purpose of keeping the matter to the fore, I would repeat here that when peace is restored these controls should be removed as rapidly as conditions permit if we are to avoid wholesale regimentation of industry and labour, which would be contrary to the very spirit of the freedom for which we are fighting."

The speaker referred in glowing terms to the "marvellous manner" in which the British people had adapted themselves to the conditions of war, and commented particularly on their ability to maintain exports at such a high figure. For the first twelve months of the war, he said, they amounted to £470,100,000, compared with £533,600,000 for the comparable pre-war period.

"Of this," he said, "Canada has taken an increasing share and I would like to add my voice to that of business leaders all over the Dominion in urging our people to give at this time preference to British goods in their purchases of imported products; for every dollar's worth so purchased helps Britain in her war effort and helps Canada too in the matter of exchange."

UNITED STATES CO-OPERATION

Hailing the mutual defence agreement with the United States as the most important event for Canada, outside the war, since Confederation, Mr. Drummond said its greatest repercussions would occur after the war when Canada, more than ever, would be a vital link in the relations between Great Britain and the United States.

"Last year," he said, "we hoped that the great American nation would respond to the call to help in the fight to preserve civilization. To-day that hope is a reality and the United States is a major factor and their sympathy and moral support are increasingly evident each day."

CUT PEACE-TIME EXPENDITURES TO BONE, SAYS H. R. DRUMMOND

While lauding the Government for following a policy of "pay as you go" as far as was considered possible, Huntly Drummond, in speaking to shareholders at the 123rd annual meeting of the Bank of Montreal, declared that the gap between revenue from taxation and war-time expenditure was tremendous.

"So far as estimates are at present applicable to our expanding programme of production," the speaker observed, "it appears that the Dominion Government will spend close to $1,000,000,000 for war purposes alone during the current fiscal year. To this figure must be added non-war expenditures of $448,000,000, as provided for in the Budget. This formidable total, which is nearly three times the normal peace-time expenditure, will almost certainly be enlarged next year by additional heavy war appropriations.

"The magnitude of prospective expenditure imposes unavoidable obligations on the Government and on private citizens if we are to continue to avoid inflation. For the Government, all expenditures which do not contribute to the national war effort must be cut to the lowest possible limit and this duty applies equally to all public bodies in every field of administration.

"Citizens are cutting personal expenses and will do so willingly as long as they can see that it will help to win the war. They have the right to demand, and they do demand, that Governments in Canada—Federal, Provincial and Municipal—shall also cut their peace-time expenditures to the bone so that we may conserve all our resources—none too great—for the one object of winning the war."

Bank Determined to Play Full Part in Achievement of Victory, say General Managers

Financial Statement Reflects Increasing Part Bank Taking In Financing War Projects — Loans Average $38,000,000 Higher — Profits Slightly Down

Presenting to Bank of Montreal shareholders at their annual meeting yesterday a financial statement that reflected the increasingly important part which this institution is playing in the financing of Canada's war effort, G. W. Spinney, on behalf of himself and his fellow general manager, Jackson Dodds, O.B.E., declared that as the bank entered upon its 124th year of operation, "we are determined to play our full part in this national effort and we look forward with confidence to the achievement of victory which is now the primary and all-important consideration."

The statement which Mr. Spinney presented showed great strength and liquidity. Assets amounted to $961,300,000, compared with $1,025,500,000 a year ago. "The decrease," he said, "is represented in the main by a reduction in our investment portfolio, as a result principally of redemptions at maturity of Dominion and Provincial Government securities." Quick assets totalled $663,200,000, or 75 per cent of all liabilities to the public.

Net profits of $3,436,000 were down by $27,000 when compared with the previous year. "This result," said the General Manager, "is not unsatisfactory in view of the fact that taxes paid to the Dominion and Provincial Governments during the year were $729,000 higher at $1,928,000, accounted for principally by the higher rate of Dominion taxation. The increased revenue to offset these additional charges and other heavier operating costs was obtained chiefly from commercial loans, which for the year averaged about 22 per cent higher."

Holdings of notes of the Bank of Canada and balances with that institution amounted to $81,100,000, and represented 11.01 per cent of all deposit liabilities payable in Canadian dollars. The statutory reserve percentage which the bank is bound to maintain in these assets is 5 per cent.

COMMERCIAL LOANS AVERAGE $38,000,000 HIGHER

Investments at $462,000,000 showed a reduction of $55,000,000, while loans and discounts in Canada increased during the year $16,200,000 to $217,600,000. Commenting on the increase in loans, Mr. Spinney said, "This increase as at October 31st does not properly indicate the maintained improvement in this department. During the past twelve months the monthly average of our commercial loans has been $38,000,000 higher than in the corresponding period of the previous financial year. This expansion in our loaning figures comes chiefly under the headings of loans to manufacturers, reflecting the higher levels of business activity, and agricultural loans arising out of the large carryover of wheat."

Deposits by the public at $749,800,000 were $52,000,000 lower than a year ago. The reduction in this category of deposits, it was explained, was due in the main to the subscriptions made by the bank's clients to war loans, and to the withdrawal during the year of some temporary balances payable in United States funds.

GOVERNMENT FINANCING

Mr. Spinney dealt at length with the subject of government financing, particularly from the banking investment viewpoint. "Our business," he said, "is at all times largely of the nature of a public trust, for on the one hand we in this bank are responsible for the security of well over a million individual deposit accounts, and on the other it is our function to assist in providing funds for all purposes, public and private, which may properly be financed by a bank. In time of war, these duties and functions assume added importance and it may therefore be permissible for me to refer to one or two matters which to-day demand closer attention than usual.

"Our holdings of Dominion and Provincial Government securities have declined during the past year by $34,900,000, although they are higher by $30,700,000 than before the outbreak of war. In view of the fact that the Government is making extremely heavy demands on the securities market, which will no doubt increase in future, it might appear to some that we are doing less than our duty in helping to meet these demands. It is not unreasonable, on a superficial view, to suppose that the banks should be a first resort in the present emergency.

"This supposition ignores the real nature of the transactions involved. When a bank subscribes to additional quantities of Government bonds, and places an equivalent amount of credit at the Government's disposal, it is in effect providing new money in the form of an addition to the supply of Bank credit which was previously outstanding. Such operations may therefore have inflationary consequences, depending upon their timing and extent.

"In certain circumstances monetary expansion of this character may be appropriate and justified, provided that it is moderate and carefully controlled. It was considered to be so in the early months of the war, when, at the Government's request, the banks subscribed to a special issue of $200,000,000 of short term notes. A temporary expansion of credit was considered expedient at that time in view of the state of business and of the Government's prospective budgetary programme.

"But now that the early hesitation of business has been succeeded by unprecedented activity, persistent and continuous use of this method of financing would lead directly to inflation. As Canada's supply of money takes the form principally of bank deposits, the unrestricted purchase of government securities by the Banks would be equivalent in its results to issuing unlimited money through the printing press. The Government's purpose in making issues of securities to the public to meet part of the costs of the war is to obtain command of real savings. To substitute bank credit for such savings as a regular procedure would therefore frustrate and defeat all hope of financing the war in a safe and honest manner. It is for this reason that the moderate reduction in our holdings of securities, which I have noted as following their initial expansion, should be regarded as a healthy sympton. So far as it goes, it indicates that the Government's requirements have been supplied from genuine savings.

"In the matter of war-time public borrowing, our facilities can therefore best be used as a channel rather than as a source of funds. To this end we have made available at all our branches special means whereby the purchase of Savings Certificates and War Loan bonds can be facilitated, and we hope that the public will take full advantage of them."

INDUSTRY & AGRICULTURE

Observing that business conditions were, of course, dominated by the demand for war supplies, the general manager remarked that the volume of industrial production in Canada was already higher than ever before and that activity was widely spread throughout the country.

"The output of supplies," he said, "is due to expand much further and it is clear that we are rapidly approaching a position in which, by contrast with the past ten years, our principal problem will be the adequacy of the means of production.

"A large crop of high quality wheat was harvested and substantial sums are required to carry the crop until it finds a market. The Dominion Bureau of Statistics estimates the yield of wheat for all Canada at 547,000,000 bushels, which, if realized, will make this the second largest crop on record since wheat growing started in Canada.

"The new crop, added to the carryover of approximately 300,000,000 bushels on the 31st July, created a storage problem which at first gave some concern. In order to make the best possible use of the available storage facilities for the benefit of all growers alike, the Canadian Wheat Board instituted a quota system of deliveries based on five bushels per seeded acre, and where local conditions permitted this quota was raised. With the prompt action of the elevator companies in constructing annexes and additional bins and the arrangements made by the growers themselves for safe storage, it is believed that practically all grain is now under cover and the storage problem may be said to have been solved for the present."

JACKSON DODDS, O.B.E.

G. W. SPINNEY

Banker Warns Against Inventory Building for Speculation

G. W. Spinney, joint general manager of the Bank of Montreal, in his address at yesterday's annual meeting of shareholders, said:

"In the matter of loans to business, the rise of industrial activity has stimulated new demands for credit which we have welcomed. In this case also, however, the war requires that a special consideration should be observed. While we are always prepared to finance sound transactions, and additionally at the present time to accommodate special needs arising from the war, the financing of abnormal inventories carried for purely speculative purposes in the expectation of rising prices would be equally against the interests of the banks, their customers and the public generally.

"Not only would such operations contribute to inflationary price increases and to artificial market conditions for the commodities concerned, but they would inevitably store up trouble for the future. The experience of the last war, and also of the speculative boom of the late twenties provides painful reminders of fictitious liquidity and of profits which became heavy losses overnight. So far, there is little evidence of any recurrence of such speculation, but the danger is inherent in the intense activity which lies ahead, and, as the banks are strategically situated to discourage it, we feel we have a special duty to bear it in mind."

War Output Falls Short Of Maximum

Distinguished Canadian Industrialist Favors Naming "Disinterested Autocrat" Over Supply

Support for the principle of establishing a "disinterested autocrat" in charge of war supply was given The Financial Post this week by the head of one of Canada's leading industrial corporations.

Writing from intimate knowledge of present and Great War problems this executive has gone to considerable trouble to outline his views as to the whole question of war supply.

His letter to The Financial Post is reprinted in full:

"From the standpoint of getting on with the job, I believe you are right in endeavoring to have an entirely disinterested autocrat at the head of War Supply. In the last war as far as this feature of it was concerned, we were fortunate in having a benevolent despot in the form of General Alec. Bertram to lead us into the job followed by a more strenuous and experienced autocrat in the form of Sir Joseph Flavelle to organize the enlarged programme and to ensure economy.

"In the present instance the lack of a man to make quick and final decisions during the early stages was distressing and I for one was relieved when C. D. Howe moved his office and undertook to specialize on War Supply Department work. I have seen no evidence that political considerations have influenced Mr. Howe's work in the placing of orders between then and now.

"I realize, as you say, that there may be a possibility of embarrassment in this direction and I also confess that I am not in a position to know what is going on or to judge how much real difficulty can be ascribed to the present setup.

Depends on the Man

"It should be remembered that there are bad features as well as good features to every setup and more often than not it is the man himself rather than the setup which governs the success of an operation. A relatively few disappointed bidders can make a lot of noise and their real or fancied grievances should be taken under great reserve and studied with extreme caution before we are justified in demanding a change of method.

"I knew Mr. Howe as a consulting engineer, but at no time have I seen him or come directly in contact with him in connection with our company's war supply business. This may possibly be a fault or on the other hand may be a measure of his success in delegating work to others. I confess that in the last war it was a comfort to have direct contacts and I probably saw General Bertram and Sir Joseph Flavelle and his assistant, Edward FitzGerald, about once a month and every one was conscious of their active presence in directing the affairs of the purchasing body.

"If I knew a better man and felt confident of my knowledge, I would be more impressed with the wisdom of asking for a change because I do not think that a mere change of title would necessarily produce any result. There are many who, like . . . . and a number of others, have carried on the affairs of a single company with what appears to be marked success, but it does not follow that the same man could step in or step out to the position of Chairman of the War Supply Board with equal success. The head of an industry may be only the peak of a broad pyramid of workers and when he is removed from that pyramid, which was developed through long years of growth, he may be quite unable to function in his usual efficient manner.

Three Problems

"I am intensely interested in two or three points connected with our war effort, first, having someone in charge of the procurement of equipment, and particularly of mechanical equipment, with sufficient judgment, authority and determination to command the respect:

(a) Of those with whom business is being placed.

(b) Of those heads of Government departments whose arbitrary regulations sometimes hinder the placing and the carrying out of contracts in the most expedient manner.

(d) Of those representatives of official groups for whom the equipment is being purchased.

"This final group is not less important than the other two and includes the inspecting officers of the consuming group and who came under Sir Joseph Flavelle in the previous setup but who do not, as I understand it, come under the head of the department in the present setup, and yet are in just as much need of frank consultation and guidance with the aid of qualified experts as any other division.

"There seem to be more well intentioned controllers attempting to function in this war and each controller does not appear to have a full realization of the amount of prodding and controlling that is being inflicted on industry by the other numerous controlling bodies. The head of the Supply Division should be able to recognize when such controls begin to defeat their own object and should have the capacity of freely entering the precincts of the Finance Department and associated departments.

Production Reduced

"I know of things that are increasing Canadian costs and decreasing Canadian production to a serious extent and yet it is impossible to find a means of getting these faults eliminated without appearing to talk from a standpoint of self interest. If you have a man of sufficiently broad gauge and determined character to fill the need which your articles describe, it would be extremely important to discuss the suggested name with enough people to bring out the pros and cons.

"As I said in the beginning, after the experience of W. R. Campbell no good man would take the job except with full authority such as I understand was demanded and obtained in the case of Sir Joseph Flavelle. If you have such a good man with full authority, it will make little or no difference what title or position he holds so long as he and everyone knows him as the undisputed head of the Purchasing Board in all its ramifications.

"I would not dream of backing your plan or any other plan involving a change at this time unless I had the fullest possible knowledge and confidence in the man proposed for the job."

Government Responsibility

The active head of one of Canada's largest and most widespread industries, one contributing vitally to war needs, feels it is difficult to divorce final control of war supply from the Government and political responsibility. He says:

"I think that final responsibility as well as leadership and inspiration must always rest on the political leader. To achieve sustained progress in the war effort it is necessary for political expediency (using the words in their broadest sense) and industrial endeavor to march hand in hand.

"The capable industrial leader who can understand and accept the seemingly circuitous methods of any political system is as rare as the successful political leader who is able to appreciate the problems of industrialists and their methods.

"In other words, if the responsibility for final results were to be divided as a result of the introduction of a 'general manager,' there could easily develop a cleavage because of two very different but equally important lines of approach to the same problem."

Howe Approved

Warm praise for the manner in which Mr. Howe has grappled with the war supply problem is expressed by the head of a producer of an important primary material. He says:

"At the beginning of the war perhaps some Canadian industrialist or executive might have tackled this job of munitions and made a success of it, but who it would have been I have not the least idea. In any case, Mr. Howe tackled it and he has shown tremendous courage, initiative and administrative ability in connection with it.

"You mention the political side of it, but I doubt very much if this is an important factor. You know Mr. Howe had a thorough training in engineering and business before he entered politics, and I feel that he is still a businessman and engineer first.

"So far as assistance is concerned—yes, give him all the assistance possible, but the responsibility must finally go back to him. Furthermore, you must realize that if anybody else now tackled this job it would take him six months to pick up the threads and he would have to pick them up from Mr. Howe. These six months are very vital.

"We had better carry on as we are. I do not look for the 'befuddlement' which you mention in your editorial."

The Post's suggestion of a fully authorized co-ordinator of war supply is questioned by a leading figure in the construction industry, who thinks there is too much interference at Ottawa now. His letter says, in part:

"I cannot say that I am greatly impressed with your suggestion of the super-businessman. I think those who are going around Ottawa a good deal in a business way find there are too many of these business 'big shots' in the picture now.

"I think Mr. Howe is a capable minister. If he can be criticized, it is that he is giving too much business to people whom he knows personally and in whom he has confidence. Perhaps in the pressure of his responsibility this is excusable.

"It would be better for the country, in view of the war emergency if the M. P.'s were left at home indefinitely and the Cabinet proceeded to carry on business. As far as I can see, the members are only a nuisance in Ottawa at any time.

"As I see the situation in Ottawa—if I were in the position or had the power to make the changes that I feel are necessary, it would not be to add to the organization, but to get in there and chase about half of them who are there home and let the others proceed with their work without interference.

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Quebec Industrial Power Takes 85% of Load

Public Service Board Reports on Current Position — Big Gain Noted in Demand and in Dollar Revenues

From Our Own Correspondent

MONTREAL.—Production of electricity by the 29 principal operators in Quebec amounted to 12,072 million kw.h. for the first nine months of 1940. This compares with 11,045 million kw.h. for the like period of 1939, an increase of 9.3%. At the same time revenues this year aggregated $43.7 millions as against $39.7 millions to the end of September, 1939.

A feature of the report is the sharp gain in the industrial load. Primary industrial sales in Quebec for the first nine months show an increase of 25.3% over the same period last year. Commercial use also showed a relatively large increase at 10.2%.

Details Industrial Demand

A supplementary report issued by the Quebec Public Service Board brings out a number of interesting features respecting the industrial power load in Quebec. As at last May the total industrial demand was 1,360,000 h.p. and the load factor 77%. The Board points out about 85% of all primary energy sold in the province is taken by industrial firms.

During May 133 industrial clients used 586 million kw.h. of electrical energy. Newsprint manufacturers reported a load of 417,319 kilowatts. Electro-chemical and electro-metallurgical plants ran second, with a load of 316,578 kilowatts.

Industrial Power Load

The relative importance of industrial power users is shown in the following table, together with a breakdown of the general returns, as prepared by the Public Service Board:

Quebec's Industrial Power Load
May, 1940

No. of clients	Industry	Demands in Kw.	Consumption Kw. hrs. for May, 1940
18	Newsprint	417,319	253,597,562
8	Pulp and paper	40,543	22,627,637
9	Electro metallurgical and chemical	316,578	217,150,170
6	Asbestos mines	25,723	10,285,199
20	Other mines	37,525	22,695,300
12	Textile	38,564	16,481,821
27	Iron and steel	44,328	11,788,148
21	Chemical oil refineries, etc.	36,073	16,215,542
10	Transportation	50,254	8,580,405
4	Waterworks	13,712	7,049,768
133		1,018,619	586,471,542

Recapitulation

Total demand .... 1,360,000 h.p.
Load factor 77%

The industrial demand represents about 85% of all primary energy sold in the Province of Quebec.

Production and Sales of Electricity by the 29 Principal Distributors of Quebec
Nine Months Ended Sept. 30

	Kw.h.—1940	Kw.h.—1939
Total production	12,072,725,977	11,045,016,195
Total sales	11,543,655,972	10,503,030,782
Primary sales in Quebec	5,972,758,299	4,861,685,964
Export sales (primary)	2,973,497,517	2,534,227,711
Export sales (secondary)	....	183,816,181
Secondary sales in Quebec	2,597,400,156	2,923,300,926

Primary Energy Sold in Quebec

Class of service:	Kw.h.	Kw.h.
Domestic	212,397,850	201,360,271
Commercial	206,133,481	186,903,496
Industrial	5,309,497,058	4,234,530,561
Municipal power and lighting	103,203,710	100,995,901
Transportation	111,306,662	111,356,515
Wholesale to municipalities	30,217,538	26,539,220
	5,972,758,299	4,861,685,964

Revenue Received from Sales in Quebec

Domestic	$ 6,232,871	$ 5,952,793
Commercial	5,551,398	5,205,382
Industrial	22,197,198	19,449,933
Municipal power and lighting	1,335,822	1,298,760
Transportation	906,088	915,559
Wholesale to municipalities	230,349	202,623
	36,453,726	33,025,050

Revenue from Exports

Primary and secondary	$7,251,743	$6,745,314

U. S. Cellulose Acetate Output Moves Ahead

From Our Own Correspondent

MONTREAL. — Cellulose acetate production in the United States during October, in the form of sheets, rods and tubes, amounted to 983,292 lb. This is the second largest monthly output reported since August last year.

Cumulative production for the first 10 months of this year amounted to 7,085,997 lb., as against 7,428,771 lb. for the like period a year ago.

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for every purpose
Barber-Ellis
of Canada, Limited
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COME TO THE

Mount Royal Hotel

MONTREAL
DIRECTION VERNON G. CARDY

U. K. Sets Price Of Newsprint

Price Will Be Equalized at £26 a Ton According to Latest Ruling

From Our Own Correspondent

MONTREAL.—Newsprint Supply Co. Ltd., working through the Director of Newsprint, will equalize the prices of newsprint to British publishers of £26 a ton.

The price fixed in Control of Paper Order No. 27 issued at the end of last month was £28.10s.

Some time ago, however, all the newspapers, through their associations, and with official approval, had reached agreement on the equalization scheme which will now become effective. In this way the higher cost of home-produced newsprint will be averaged with the lower-priced imported newsprint. That price will be £26 a ton and will apply to all newsprint used by newspapers throughout the United Kingdom.

Price Bros. Pays Off Preferred Arrears

From Our Own Correspondent

MONTREAL.—Directors of Price Bros. have cleared off the balance of accumulated arrears of dividends on the preferred stock by declaration of a payment of $1.37½ on account of arrears as well as $1.37½ for the final quarter of 1940. Both are payable Jan. 2, to holders of record Dec. 21.

Price Bros. and Co. has outstanding 62,843 shares of 5½ preferred, cumulative as from Jan. 1, 1939. An initial dividend of $2.75 a share was paid Dec. 21, 1939, which at that time left arrears of $2.75. Since then regular dividends have been paid, and in addition special payments on account of arrears.

U. S. Paper Industry Reports Slight Gain

From Our Own Correspondent

MONTREAL.—Rate of activity in the U. S. paper industry, excluding paperboard, according to American Paper & Pulp Association index of activity was 89% in week ended Nov. 16 against 88.2% in week ended Nov. 9, and 98.4% in week ended Nov. 18, 1939.

Production in the paperboard industry was equal to 77% of capacity in week ended Nov. 16. In October of this year it was 79% and in Nov. last year it was 81%.

European Newsprint Eliminated in Returns

From Our Own Correspondent

MONTREAL.—For the first time in 20 years or more the U. S. Department of Commerce in its monthly returns reports no newsprint paper imported into the United States from Europe.

Since the war started last fall the volume of trade with the Scandinavian countries has steadily declined and had previously hit a low mark in May, when imports amounted to only 192 tons, but in October no European newsprint was imported.

For the first 10 months of 1940 U. S. imports of European newsprint amounted to 31,815 tons, or about 10% of that reported for all of 1939.

Beauharnois Moves To Surrender Charter

From Our Own Correspondent

MONTREAL.—Beauharnois Power Corp. has filed notice with the Secretary of State of intention to surrender its charter.

Pulp and Paper Industry

Brown Corp. Reorganizes Right Away

Canadian Unit of Brown Co. Will Clear Up All Liabilities to Parent

From Our Own Correspondent

MONTREAL. — Brown Corp., wholly owned Canadian subsidiary of Brown Co., will shortly carry out a reorganization. This company's operations are centred at LaTuque, Que., where it operates one of the largest sulphite pulp mills in the Dominion. Earnings have fluctuated rather widely at times, with the result that the company has a large contingent liability in respect to arrears of interest on its bonds.

Brown Corp. has outstanding $3,821,000 of 5½% first mortgage bonds and $14 millions of common stock, all of which is held by Brown Co. Matured and accrued bond interest as at Dec. 2, 1939, amounted to $997,869. In addition there was $117,243 of accrued interest on unpaid coupons at the same date, as well as certain obligations owing to the parent company.

Liquidate Liabilities

The reorganization is designed to liquidate these liabilities. A new issue of $6 millions, 15-year, 6% first mortgage bonds will be created, of which $5 millions will be turned over to Brown Co. in settlement of all claims.

The increase in the bonded debt will be offset by a write-down of $2 millions in the value of the capital stock. This will, among other things, make it necessary to readjust the value of Brown Corp's interest in the St. Maurice Valley Corp. The latter asset is now shown on the books at $2.5 millions and will be written down to $1,250,000.

Inasmuch as American-pay securities are involved in the reorganization, the plan has been approved by the Foreign Exchange Control Board.

B.C. Kraft Mill Reopens Soon

Port Mellon Unit Closed Two Years Formerly Sold to Japan

From Our Own Correspondent

VANCOUVER. — Increasing demand for pulp and paper and rising prices will result in returning Port Mellon Operating Co. to production during the next few weeks.

The Port Mellon plant on Howe Sound, about 30 miles north of Vancouver, suspended operations about two years ago following the collapse of the Japanese market. It produces kraft paper exclusively.

It is understood that the mill, owned by Portland, Ore., capital, will produce kraft for the U. S. market, with Middle Western interests taking most of the output.

Pulp and paper production is at a high level in this province with Powell River Co. and Pacific Mills Ltd. maintaining their capacity stride in newsprint and also expanding output of unbleached sulphite and other products. Westminster Paper Co. reports the best year in its history, and Sidney Paper Co. is carrying out a new expansion programme.

B. C. Pulp & Paper Co. is operating its two mills at capacity in production of rayon and bleached sulphite.

U. S. Pulp Mills Increase Production in October

From Our Own Correspondent

MONTREAL.—With 86% of the industry's capacity reporting, the United States Pulp Producers Association states wood pulp production in the United States during October totalled 650,970 tons, as against 586,923 tons the month before. A larger quantity was used by the producing mills, while stocks on hand at the end of October totalled 140,982 tons. This compares with 128,625 tons of stocks at the end of September.

Bleached sulphite and bleached sulphate capacity continues to be operated at capacity, while other branches of the chemical pulp industry reported operations at better than 90% of capacity.

Particulars of the returns follow:

Grades:	% of capacity reporting	Prod. in October	Used by producers	*Sales	†Stocks on hand	Imports in October
TOTAL, all grades except soda	86%	650,970	515,486	122,988	140,982	67,281
Total sulphite		215,945	111,876	90,344	81,791	43,268
Bleached	100%	132,985	67,961	57,120	52,469	25,112
Unbleached	92%	82,960	43,915	33,224	29,322	18,156
Total sulphate		325,408	297,118	25,772	32,400	10,869
Bleached	100%	52,551	46,291	6,554	4,143	4,354
Unbleached	95%	272,857	250,827	19,218	28,257	6,515
Groundwood	67%	96,807	96,941	4,642	20,477	12,888
Damaged, off-quality and miscellaneous	41%	12,810	9,551	2,230	6,314	256

*Foreign and domestic.

†Total, at end of October, for own use and sale, of pulp of own manufacture (does not include stocks of purchased pulp).

Import data from United States Bureau of Foreign and Domestic Commerce; other data as reported monthly to the United States Pulp Producers Association.

Canada Meeting U. S. Pulp Needs

Practically All U. S. Imports in October Originated in Dominion

From Our Own Correspondent

MONTREAL.—Practically all of United States imports of wood pulp in October originated in Canada. During the month, according to the U. S. Dept. of Commerce, imports were approximately 68,000 tons valued at around $4 millions.

Finland supplied six tons of unbleached sulphite worth $420, and Sweden 582 tons of unbleached sulphate worth $15,896. Aside from these two minor items, all of the wood pulp came from Canada.

A breakdown of the Canadian wood pulp imported into the United States during October, showing quantity and value, follows:

Canadian Pulp Exports to U. S.
October, 1940

	Tons	Value
Groundwood:		
Unbleached	12,888	$379,171
Screenings	15	59
Sulphite:		
Unbleached	18,156	997,872
Screenings	241	5,060
Bleached:		
Rayon	8,781	699,730
Other	16,331	1,092,153
Sulphate:		
Unbleached	5,933	370,465
Bleached	4,354	351,087
Soda pulp	831	49,675
Total	67,530	3,945,272

Great Lakes Co. Raises Dividend

December Payment Means $1.25 Disbursed For 1940

Great Lakes Paper Co. has declared dividend of 50 cents a share on its classes A and B preference stock, payable Dec. 31, 1940, to shareholders of record Dec. 21. Arrears following this payment will remain unchanged at $8.25 a share.

Great Lakes Paper paid its initial dividend of $1 a share a year ago, following this up with three 25-cent payments this year. Total dividends paid for 1940, will, therefore, be $1.25 a share on the two preference stocks. These stocks carry a cumulative $2 annual dividend.

Crown Zellerbach Earnings Rise

Canadian Subsidiary, Pacific Mills, Earns $334,927 in Six Months

From Our Own Correspondent

MONTREAL. — Crown Zellerbach Corp., which operates in British Columbia through Pacific Mills, reports consolidated net profit in the six months ended Oct. 31, 1940, of $3,836,975. This is after provision for all prior charges, including Canadian exchange adjustments, and was equal after dividend requirements on the $5 convertible preferred stock, to $1.11 a share on 2,261,199 shares of common stock. This compares with $1.03 a common share for the six months ended Oct. 31, 1939.

For the quarter ended Oct. 31, 1940, net profit was $1,886,315, after U. S. Federal income and excess profits taxes, equal to 54 cents a common share. This contrasts with net profit of $1,933,108, or 56 cents a common share in the October quarter of 1939.

Lower After Taxes

Net profit for quarter ended July 31, 1940, revised to give effect to new Federal income and excess profits taxes, was reported at $1,950,660, or 57 cents a common share. In a previous statement issued August 29 last for quarter ended July 31, 1940, the company reported net profit of $2,501,522, or 81 cents a common share. The above 1940 earnings include Canadian subsidiaries in equivalent U. S. dollars with adjustments to convert the working capital of those companies at end of the respective periods, to U. S. dollars at 90 cents per Canadian dollar.

After giving effect to the net exchange loss amounting to $30,772, and providing for minority stockholders' equities, net profit of Canadian subsidiaries for six months ended Oct. 31, 1940, was $334,927. Of this amount $237,027 was received by Crown Zellerbach Corp. in the form of dividends on Nov. 1, 1940.

Kraft Liner Price Set for First Quarter

MONTREAL.—Hesitancy over the outlook for the paperboard market in the United States is indicated in the fact that although mill operations currently are at capacity, a leading producer of kraft liner board has announced extension of the present price of $55 a ton

Abitibi Sales Plea Adjourned

Judge Feels Sale Should Await Royal Commission Report

Application of the Montreal Trust Co. for a new sale of Abitibi Power & Paper Co. properties was adjourned by Mr. Justice Middleton in the Ontario Supreme Court recently, subject to renewal on seven days notice.

On the same day, Mr. Justice Middleton heard a motion from Strachan Johnson, K.C., counsel for G. T. Clarkson, receiver for Abitibi, for direction as to what action he could take in respect to the request of the Royal Commission sitting on Abitibi at Toronto for his ideas of a practicable reorganization plan. On this motion, the Justice ruled that Mr. Clarkson could give all possible assistance to the Royal Commission in its work, but he did not direct him specifically to prepare a reorganization plan.

Conant Opposes Sale

Argument at the hearing on the application for a sale without a reserve bid seemed to hinge on whether or not such action would be appropriate while the Royal Commission was still holding its sittings and had not yet prepared its report. Opposition to the sale motion developed from equity interests as well as from the Ontario Attorney-General Conant, who appeared in person. The adjournment apparently does not prevent renewal of the application if the Commission's report is unduly delayed.

The McTague Commission, which had planned to resume hearings Dec. 2, has postponed its next sessions to Dec. 9 to permit preparation of certain data.

On the request for direction as to Mr. Clarkson's action, Glyn Osler, K.C., representing the Bondholders' Protective Committee, opposed granting Mr. Clarkson authority to prepare his own reorganization plan on the grounds that this would interfere with his ability to carry out his duties as an officer of the court and would make him a party intervening between different classes of security holders.

Arthur Slaght, K.C., appearing for the Preferred Shareholders' Protective Committee, sought to have Mr. Clarkson given authority to prepare a definite plan of reorganization. R. O. Daly, K.C., representing the Common Shareholders' Committee, supported Mr. Slaght. Attorney-General Conant also appeared and outlined the purpose of the Ontario Government in appointing this Royal Commission which, he said, was to find some solution to the unsatisfactory state of affairs surrounding Abitibi.

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has a bond finish; is carried in two weights; is brilliant white; is opaque, and has the unusual qualification of having the strength of a rag content bond three times the price.
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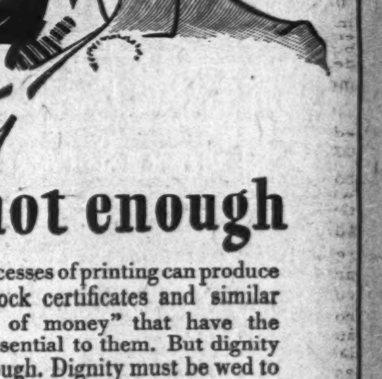
Bowaters Wood Cut To Set New Record

From Our Own Correspondent

MONTREAL. — Bowaters Newfoundland Pulp & Paper Mills Ltd. will set a new high record in wood cut in the 1940-41 season, estimated in excess of 400,000 cords.

JAMES W. SEWALL
Ruttan Block, Port Arthur, Ont.
Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp



IN MONETARY DOCUMENTS
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For Protection From "Weather Trouble"

Yes, a roof too may go to war. Here in this humming factory where the standing order is "full speed ahead," nothing avoidable is allowed to retard or interrupt the production schedule ... not for a single moment. For complete protection from the annoying troubles an inefficient roof could cause, the Canadian plant of the John Inglis Company, engaged in the production of machine guns and vital war materials, depends on a Murray Built-Up Pitch and Gravel Roof.

Isn't it the same with your roofing problem? You want the best, measured in terms of years of weather protection and you want that best to include maximum value for every dollar you spend on it.

Let us look into your roofing situation and explain just how we can give you exactly what you want—all the way.

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ROOF INSPECTION SERVICE

Wherever a Murray Built-Up Pitch and Gravel Roof is being laid you will find an experienced Roofing Inspector supervising every step of the job. Each job is also scheduled for a regular inspection after the roof has been in actual service.

Let us send an inspector to appraise the condition of your roof and advise what action should be taken, if any, in the interests of long term economy. A written report will be submitted. There is no obligation.

Newly Laid Murray Built-Up Pitch and Gravel Roof on Machine Gun Factory.

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Courtaulds (Canada) Limited
Dominion Rubber Company Limited
General Foods Limited
General Motors Corporation
International Nickel Company of Canada Limited
Massey Harris Company Limited
Royal Bank of Canada
Steel Company of Canada Limited

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 2

A

Range 1940 High	Low	DivNov30 R'te $	Y'ld %		Sales	Last Nov. 25	Week end. Dec. 2 H	L	Cl'se
2.50	.50	.	...	Abitibi	845	.85	.90	.75	.80
27½	2½	.	...	Do. pref. 6%	1176	6¾	6¾	6¾	6¾
33	5½	.	...	Do. pref. 7%	....	(9 bid 12¾ asked)			
6	3	.	...	Acme Glove	....	(2 bid — asked)			
57	45	6.50		Do. pref.	....	(45 bid 50 asked)			
12½	9	60+20c	9	Agnew Surp.	5	11½	11	11	11
110	105	7	6.5	Do. pref.	....	(105 bid — asked)			
3.00	.75	.	...	Alta. Pac. Gr.	....	(1.25 bid — asked)			
36	20	.	...	Do. pref.	110	30	30	30	30
16½	7	.	...	Algoma Steel	170	10½	10	9½	9½
100	81	$2.50	..	Do. pref.	....	(88 bid — asked)			
145	80	6+2	7.2	Aluminum	297	114	113½	109½	111
125	100½	6	4.8	Do. pref	105	125	125	125	125
8½	5	25c	...	Amal. Electric	....	(5 bid — asked)			
43	34½	*60c	1.7	Amer. Cyn. B.	....	(34¾ July 16)			
49½	43½	2.75	6	Ang. Can. Tel p	....	(45 bid 50 asked)			
26½	14	60+60c	8	Asbestos	1247	15½	15½	14	14½
19½	12½	1.35	8.5	Assoc. Brew.	200	15½	15¾	15¾	15¾
112½	109	7	6.4	Do. pref.	5	112	109¾	109¾	109¾
•2	2	.	...	Assoc T. & T.A.	....	(— bid 8 asked)			
•34	26	48c	...	Do. pref.	....	(— bid 28 asked)			
103	101	6.50	5.3	Ault & Wiborg	....	(99 bid — asked)			

B

Range 1940 High	Low	DivNov30 R'te $	Y'ld %		Sales	Last Nov. 25	Week end. Dec. 2 H	L	Cl'se
164	137	8	5.5	Bk. Can. Nat.	6	146	146	146	146
212	170	8	4.2	Bk. Montreal	105	190	190	188	189
315	269	12	4.2	Bk. N. Scotia	7	281	282	281	282
268	200	10	4.1	Bk. Toronto	17	245	240	240	240
•5	4½	.	...	Barcelona	....	(— bid — asked)			
6½	2	.	...	Barker's Bread	....	1.25 bid 2.00 asked			
28	19	2.50	10.4	Do. pref.	....	(22 bid 30 asked)			
15¾	6½	1	6	Bathurst Pr.	440	12½	13	12½	12½
5	1½	.	...	Do. (B)	200	3	2¾	2½	2½
1.75	.05	.	...	Bawlf Grain	....	(— bid .10 asked)			
47	25	.	...	Do. pref.	....	(47 bid 48 asked)			
5	3	.	...	Beath & Sons	....	(2½ bid 5 asked)			
5½	3	.	...	Beatty Bros.	....	(3½ bid 4½ asked)			
102	90	6	6.1	Do. pref.	....	(99 bid 101 asked)			
90	88	7	7.9	Do. 2nd pref.	....	(70 bid 90 asked)			
9½	9	.	...	Beauharnois	180	9	9½	9	9
97½	80	4	5	Belding Cort.	....	(— bid 90 asked)			
150	124½	7	5.6	Do. pref.	....	(120 bid 136 asked)			
169	130	8	5	Bell Telephone	356	159	160	157½	157½
13	8	60+15c	..	Biltmore Hats	....	(8 bid 9 asked)			
9½	5	.	...	Blue Ribbon	35	7	5½	5½	5½
42	34	2.50	6.7	Do. pref.	20	36	39	37	37
21	19	1.30	6.2	Brant. Cord. pf.	....	(21 bid 22 asked)			
10¾	2½	.	...	Brazilian Tr.	2941	4¾	5½	4¾	4¾
5½	3	50+25c	..	Brew. & Distil.	1190	5	5½	5	5
6½	4	30c	7.5	Bright, T. G.	....	(6½ bid — asked)			
90	69	6	6.7	Do. pref.	....	(90 bid — asked)			
22½	14¾	1	5.3	Brit. Amer. Oil	1729	18¾	18¾	18¾	18¾
19½	9	.	...	B. C. Packers	7	11	12½	12½	12½
30	23	2	7.5	B. C. Power A.	361	26	26½	26	26½
3½	1	.	...	Do. (B)	20	1½	1½	1½	1½
7	4½	.	...	Bruck S. Mills	725	4¾	5	4¾	5
17¾	12	70+10c	5.2	Building Prod.	600	15½	15½	15½	15½
14	6½	60c	5.4	Burlington St'l.	270	10¾	11	11	11

C

Range 1940 High	Low	DivNov30 R'te $	Y'ld %		Sales	Last Nov. 25	Week end. Dec. 2 H	L	Cl'se
[illegible]	70	.	...	Calgary Power	....	(— bid 70 asked)			
101½	90	6	6.3	Do. Pref.	....	(100½ bid — asked)			
5½	1½	.	...	Canada Bread	....	(2¾ bid 2¾ asked)			
105	90	5	5	Do. pref.	10	97	100	100	100
58	35	2.50+37½c▲	6	Do. pf. B.	....	(40 bid 45 asked)			
6	3½	40c	...	Canada Bud	115	4½	4½	4½	4½
8½	3	.	...	Canada Cement	580	5¾	6	5¾	6
101	75	5	5	Do. pref.	43	100½	101	100	101
106	102	5	4.8	Canada Cycle p	7	105	105	105	105
35	24	1.50	5.3	C. & D. Sugar	365	29	29	28½	28½
b22½	11½	50c	3.6	Canada Dry	43	13¾	13¾	13¾	13½
23	11	1.50	8.8	Can. Forg. (A)	....	(16½ bid 20 asked)			
22	13	1.50	8.8	Do. (B)	....	(— bid — asked)			
40	25	$4.50	..	Can. Iron	....	(25 bid — asked)			
75	65	$7		Do. pref.	....	(65 bid — asked)			
390	390	20	5.1	Canada Life	....	(380 bid — asked)			
4	1	.	...	Can. Mach'y	....	(3½ bid — asked)			
32	25	3.50		Do. pref.	....	(38 bid — asked)			
40	29½	2+50c	6.4	Can. Malting	226	38	40	38½	39
18	9	$1.13	...	Can. Nor. Pr.	25	9½	9½	9½	9½
111½	90	7	7.2	Do. pref.	37	96	98	97	98
104¾	65	3+1	4.6	Can. Packers	20	87	86	86	86
.25	.25	.	...	Can. Paving, p.	....	(— bid .25 asked)			
150	117	8	6	Can. Perman.	54	134	134	131	133
7	6½	$1	...	Can. Starch	....	(6½ bid — asked)			
110	109	7	6.4	Do. pref.	....	(108 bid — asked)			
8½	2	.	...	Can. Steamsh's.	969	4¾	4½	4½	4½
21¾	9½	$62½c	..	Do. pref.	806	17½	18	16	17½
15½	5	$60c	...	Can. Vinegars	30	6¾	7	6¾	7
65	40½	4	6.3	Can. W. Cable.	10	63	62	62	62
24	14	1.25	5.9	Do. (B)	....	(— bid — asked)			
108½	105	6.50	6.1	Do. pref.	....	(101 bid 107 asked)			
3	½	.	...	Can. Bakeries	....	(.50 bid 1.25 asked)			
64	30	$3		Do. pref.	....	(30 bid 40 asked)			
178	132	8	5.1	Can. Bk. Com.	75	155	160	157	157
2.75	1.05	.	...	Can. Breweries	600	1.25	1.15	1.10	1.10
31½	21½	3	11.8	Do. pref.	311	25½	25¾	25½	25½
45	29	1.50+50c	5	Can. Bronze	35	39	38	37	37
107	102	5	4.8	Do. pref.	....	(105 bid — asked)			
10½	6	$37½c	..	Can. Canners	4	7¾	6¾	6¾	6¾
27	17	1+15c▲	6	Do. 1st pfd.	75	19½	20½	20	20½
14	7½	60+15c▲	7	Do. 2nd pfd.	95	10½	10½	10	10½
16¾	5½	.	...	Can. Car & F'y	1045	8¾	8¾	8¾	8¾
29	12¾	.	...	Do. pref.	315	21¾	22	21	22
37¾	20	1+90c	6	Can. Celanese	760	31	31	29½	30
128	104	7+1.16▲	...	Do. pref.	215	125	126	125	126
22	20	1	4.5	Do. Rights	....	(23 bid — asked)			
19½	14	1	5.5	Can. Convert.	40	16	18	18	18
120	95	4+2	6.1	Can. Cottons	....	(90 bid 100 asked)			
118	99½	6	5.2	Do. pref.	....	(107 bid — asked)			
32	9½	1.50	8.6	Can. Dredge	20	17½	17½	17½	17½
101	100	6	6	Can. Fairb. pf.	....	(90 bid 100 asked)			
14¾	5	1.40	...	Can. For. Inv.	....	(9 bid 10 asked)			
104½	96	8	7.6	Do. pref.	....	104 bid 104½ asked			
240	195	8	3.6	Can. Gen. Elec.	....	(200 bid 220 asked)			
9½	6	50c	...	Can. G. Inv.	50	7½	7¾	7½	7¾
3.62	1.65	15c	...	Can. Ind. Alc.	380	1.90	2.00	1.90	1.90
3.12	1.00	15c	...	Do. (B)	55	1.75	1.75	1.75	1.75
235	175	7	3.2	Can. Indust. B.	....	(— bid 214 asked)			
175	150	7	4.2	Do. pref.	50	165½	168	168	168
.30	.10	.	...	Can. Int. I. Tr.	....	(.10 bid .50 asked)			
45	25	2	4.4	Do. pref.	50	25	45	45	45
18½	12	1	8.3	Can. Lt. & Pr.	....	(— bid .15 asked)			
20	6	.	...	Can. Locomo.	....	(9½ bid 12 asked)			
1.40	.65	4c	...	Can. Marconi	....	(.90 bid .95 asked)			
21½	11	50+50c	5½	Can. Oil	345	18	18	18	18
123	109½	8	6.7	Do. pref.	....	(121 bid 123 asked)			
8½	4	.	...	Can. Pacific	3746	5½	6	5½	5½
1.50	.25	.	...	C. Pr. & Pa. In.	....	(.50 bid .80 asked)			
5	2	.	...	Do. pref.	....	(2 bid 3 asked)			
8½	2	.	...	Can. Vickers	....	(3 bid 3½ asked)			
33	7½	.	...	Do. pref.	1	16	16	16	16
13½	9½	1	...	C. Wallpaper A.	....	(8 bid 10 asked)			
13	7	1	...	Do. (B)	....	(8 bid 10 asked)			
52½	39	1.50	3.8	Can. West'ho'se	4	41	39	39	39
8½	3	†25c	..	Can. Wineries	175	3½	3½	3½	3½
22	13½	1.50	7.9	Can. Wire Box	175	20	19¾	19	19
1.75	1.00	.	...	Capital Estates	115	1.15	1.07	1.05	1.05
119	114	5	4.2	Carnation, pfd.	100	118½	118½	118½	118½
18	9	50c	5	Catelli Food	100	9	10	10	10
14½	10	75c	7.5	Do. pref.	....	(9¾ bid 14 asked)			
37½	37½	1	...	Celanese of A c	....	(— bid — asked)			
2.25	1.50	.	...	Celtic Knit	....	1.60 bid 3.00 asked			
160	160	8	5	Cent. Can. L'n	....	1.60 bid 3.00 asked			
102	100	4+1	5	Chart Trust	....	(95 bid 103 asked)			
.54	.10	.	...	Chem. Research	....	(.18½ bid .24 asked)			
.20	.05	.	...	City Gas & El.	....	(.05 bid .09 asked)			
.15	.05	.	...	Claude Neon	....	(.15 bid 1.00 asked)			

F, G

Range 1940 High	Low	DivNov30 R'te $	Y'ld %		Sales	Last Nov. 25	Week end. Dec. 2 H	L	Cl'se
22¾	13½	1	5.8	Ford Motor A.	923	17½	17½	16½	16½
21½	14	1	5.6	Do. (B)	....	(16 bid 17 asked)			
.20	.05	.	...	For. Pr. Secs.	....	(— bid 15 asked)			
15½	6	$50c	..	Foundation Co.	155	13	12	12	12
20	6	.	...	Fraser Cos.	....	(9 bid 11 asked)			
21¾	7½	.	...	Do. Vot. Tr.	490	11¾	11½	10½	11½
.50	.50	.	...	Freiman	....	(— bid — asked)			
38	32	.	...	Do. pref.	....	(34 bid — asked)			
16½	9	80c	7.4	Gatineau Pwr.	277	11	11	10½	10½
97	79	5	5.7	Do. pref.	205	88	89	85	85
105½	90	5.50	5.7	Do. 5½% pref.	....	(94 bid 96 asked)			
6	1½	.	...	Do. Rights	130	1½	2½	1½	2
10¾	4½	.	...	Gen. St. Wares.	225	6	6½	6	6½
96½	77	7+76c▲	..	Do. pref.	75	94½	94½	94	94
87	58	2.50+2.50	7	Goodyear T.	....	(75 bid 80 asked)			
57½	51	2.50	4.6	Do. pref.	13	54	54	54	54
•50	50	$3	...	Gould Pumps p.	....	(— bid — asked)			
8	4	.	...	Gt. Lakes Pap.	....	(2½ bid 4 asked)			
29	18½	$1.25	..	Do. pref.	....	(— bid 27 asked)			
8	2	.	...	Do. Vot. tr. c	27	3½	3½	3½	3½
27½	13	$1.25	..	Do. Vot. tr. p	90	20¾	20¾	20½	20½
3½	1½	.	...	Gt. W. Saddlery	100	2	2½	2½	2½
35	24	$3	...	Do. pref.	....	(30 bid 35 asked)			
14½	11	60c	5.1	Greening Wire.	110	12	11½	11	11½
1.25	1.25	10c	...	Growers' Wine.	....	(— bid — asked)			
10½	4	†30c	...	Gurd, Chas.	55	4½	5	5	5
107½	106½	7	6.5	Do. pref.	....	(— bid 108 asked)			
5½	2½	.	...	Gypsum, Lime.	497	3½	3½	3½	3½

H, I

Range 1940 High	Low	DivNov30 R'te $	Y'ld %		Sales	Last Nov. 25	Week end. Dec. 2 H	L	Cl'se
21½	21½	1	4.7	Halifax Fire	....	(— bid — asked)			
8½	2½	.	...	Ham. Bridge	260	4½	4½	4½	4½
38½	34	2+1.25▲	5	Ham. Cot., pf.	....	(36 bid 39 asked)			
2.50	.50	.	...	Ham. U. Theat.	....	(.50 bid 1.75 asked)			
75	60	$5.50	..	Do. pref.	4	65	60	60	60
4¾	2¾	20c+10c	.	Harding Carpet	100	3½	3½	3½	3½
.25	.25	.	...	Hillcrest Coll.	....	(.10 bid 1.00 asked)			
4	2	.	...	Do. pref.	....	(2½ bid — asked)			
16	7½	50c	4.5	Hinde & Dauch	60	11	10¾	10¾	10¾
•20	20	.	...	Holt Renfrew	....	(— bid 14 asked)			
40	20	.	...	Do. pref.	....	(17½ bid — asked)			
25	15	1	6.2	Honey Dew	132	16	16	15½	16
23½	11½	.	...	H. Smith Pap.	75	14¾	14¾	14½	14½
106	85	6	6	Do. pref.	170	99½	99¾	94	94
17	10½	1	9.7	Humberstone S.	....	(13½ bid 25 asked)			
11	4	.	...	Hunts (A)	....	(4½ bid 8½ asked)			
10¾	5	.	...	Do. (B)	....	(5 bid 7 asked)			
74½	53	4	7	Huron & E. Mt.	6	58	57	57	57
13	9½	80c	...	Do. 20% pd.	16	13	9½	9½	9½
2¾	2½	20c	.	Hydro Electric	....	1.50 bid 2.50 asked			
220	150	10	4.9	Imperial Bank.	16	200	201	200	201
15½	8½	50+12½c	6	Imperial Oil	4336	10½	10½	9½	9½
16½	12	40+22½c	4½	Imperial Tob.	1626	14	14½	13½	14½
8	6½	6%	4	Do. pref.	1760	8	7	7	7
29	18½	2	10.5	Indust. Accept.	25	19	18¾	18¾	18¾
36	28¾	3	...	Inter-City Bak.	....	(19 bid 33 asked)			
51	50	5	10	Inter'c Coal	5	50	50	50	50
120	120	8	6.7	Do. pref.	....	(— bid — asked)			
23	14	1.50	9.4	Inter. Bronze.	200	16	16	16	16
28½	19¾	1.50	6.5	Do. pref.	25	22	23	23	23
.30	.30	3c	...	Int. Coal & C.	....	.25 bid .40 asked			
15½	5	.	...	Int. Metal Ind.	150	10	11	10	11
.114	90	6+12▲	5.9	Do. pref.	15	102	102	102	102
113½	85	6+12▲	5.9	Do. pref. A.	....	(101 bid 110 asked)			
116	111½	5	4.4	Int. Mill, pf.	7	114	116	113	116
47	27½	2	5.7	Int. Nickel	4056	37½	37½	34	34¾
3½	1	.	...	Int. Paints	....	(1½ bid 3 asked)			
18	11	1+25c▲	..	Do. pref.	....	(13 bid 20 asked)			
23¾	12	.	...	Int. Pap. & P.	15	18½	17½	17½	17½
80	47	5	6.5	Do. pref.	275	74½	80	76	80
24	12½	1.25	8.9	Int. Pete.	1379	14¾	15	13¾	14
6	2	.	...	Int. Power	....	(3¾ bid 4 asked)			
96	69	$6.25	..	Do. pref.	46	88	85	80	85
•11¾	10½	.	...	Int. St. Rlty. A.	....	(— bid 11¾ asked)			
•4	3½	.	...	Do. (B)	....	(— bid 4 asked)			
11½	4½	.	...	Int. Util. (A)	....	(6 bid — asked)			
.65	.15	.	...	Do. (B)	200	.30	.20	.20	.20

J, K, L

Range 1940 High	Low	DivNov30 R'te $	Y'ld %		Sales	Last Nov. 25	Week end. Dec. 2 H	L	Cl'se
14½	12	68c	...	Jam. Pub. Ser.	....	(11 bid 13½ asked)			
135	128	7	5.5	Do. pref.	....	(— bid 129 asked)			
9½	5	1	...	Kelvinator	100	8	8½	8	8
28	9	.	...	L. St. John Pr.	....	(— bid 16 asked)			
2.65	.65	.	...	Lake Sulphite.	....	(.65 bid 1.25 asked)			
27	14	1	...	Lake of Woods.	70	16¾	16¾	16½	16½
128	110	7	6.3	Do. pref.	....	(110 bid — asked)			
55	48½	4	8.2	Landed Bank.	....	(52 bid 55 asked)			
17	10	70+30c	..	Lang, J. A.	....	(— bid 14½ asked)			
•3½	2½	.	...	Langley's	....	(— bid 1½ asked)			
27	13	.	...	Do. pref.	....	(15 bid 20 asked)			
13½	9	80c	7.1	Laura Secord	780	11½	11½	11	11
9½	2	.	...	Legare, pref.	....	(6 bid 6½ asked)			
3	3	15c	...	Levy Bros.	....	(3 bid — asked)			
5½	2	.	...	Lindsay, C. W.	....	(3½ bid 8 asked)			
55	25	.	...	Do. pref.	20	53	55	55	55
28½	20	1+25c	4.6	Loblaw (A)	376	27½	27½	27	27
27	20	1+25c	4.8	Do. (B)	152	25½	26	25½	26

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

Dec. 4, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99¾	100¼	.30
5	Nov. '41	103½	103¾	1.06
1½	May '42	100¼	100¾	1.10
2	June '42	100¾	101¼	1.10
3	Oct. '42	102¾	103¼	1.24
2½	June '43	102	102½	1.47
5	Oct. '43	108½	109¼	1.60
2	June '44	100¼	101½	1.63
a2½	Jan. '44	92½	94¾	4.32
4½	Oct. '44	108¾	109¼	1.94
2½	Nov. '44	102	102¾	1.78
a2½	Aug. '45	91½	92½‡	4.32
4	Oct. '45	105½	106¼	b1.76
4½	Feb. '46	106¾	110¾	2.35
3½	June '49	102	102¾	b2.71
3½	Oct. '49	102¼	103¼	b2.61
3½	Nov. '51	100¼	101¼	b3.07
3½	Feb. '52	100¾	101¼	b3.02
a5	May '52	99¾	‡100¾	b4.45
4	Oct. '52	105¼	106¼	b2.99
3	Oct. '52	98¾	98¾	3.12
3	June '55	98½	98¾	3.10
4½	Nov. '56	107	107¾	b3.06
4½	Nov. '57	107½	108¼	b3.16
3	June '58	97½	98½	3.13
4½	Nov. '58	108¼	109	b3.20
4½	Nov. '59	109	109¾	b3.23
a4	Oct. '60	92	93¾	4.54
a3½	Jan. '61	[illegible]	85½	4.38
3½	June '66	99½	100¼	b3.23
a3c	Jan. '67	81	82½	4.14
a3c	Nov. '68	81	82½	4.09
†3	Perpet'l.	88½	89½	3.38

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100¼	101¼	1.42
2½	Jan. '46	99¾	100¾	2.12
3	May '44	103¼	104	1.79
3	Dec. '50	98¾	99¾	3.03
3	Feb. '53	97½	98¼	3.15
3	Jan. '59	96½	97½	3.20
*4½	Sept. '51	113¼	114¼	2.95
*4½	Feb. '56	113¾	114¾	3.28

%	Due	Bid	Ask.	Approx. Yld.
4½	July '57	114	115	3.34
*4½	June '55	116	117	3.27
5	Feb. '54	116	117	3.42
*5	July '69	113½	114½	b2.20
*5	Oct. '69	117½	118½	b3.09
*5	Feb. '70	117½	118½	b3.15
Grand Trunk Pacific Rly.:				
3	Jan. '62	98	99	3.06
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	87	90	4.14
3½	Aug. '49	90	91½	4.44
3½	June '56	88	90	4.40
c4	Nov. '47	96	98	4.34
c4½	Apr. '61	99	101	4.42
c5	Jan. '60	103	106	4.53
Nova Scotia:				
3	Jan. '52	91	93	3.75
3½	June '56	92½	94	3.76
3½	Nov. '50	97½	98½	3.68
c4½	Sept. '52	105½	107	b3.33
c4½	Nov. '60	106½	108	3.92
c5	Mar. '60	112	113½	4.00
Ontario:				
2½	May '45	99¾	100¾	2.32
3	Apr. '48	98¾	99¾	3.04
3	Nov. '50	97½	98½	3.18
3½	Nov. '51	99½	100½	b3.22
3½	May '55	98¾	99¾	3.27
*4	June '62	106½	107½	3.50
4½	June '50	109	110	3.27
*4½	Jan. '63	112	114	3.55
5	Oct. '48	111½	112¾	3.22
*5	Dec. '60	117½	119½	3.62
5½	July '46	111½	112½	3.05
Ont. Hydro Commission:				
3	Aug. '48	98½	99¾	3.07
3½	Feb. '53	98¾	99¾	3.27
3½	Apr. '47	101½	102½	3.06
Prince Edward Island:				
3	Oct. '45	94½	96½	3.79
Quebec:				
3	Nov. '47	94	95	3.83
3½	Mar. '48	95	96	3.88

%	Due	Bid	Ask.	Approx. Yld.
3½	Mar. '50	91½	93½	4.00
3½	Feb. '55	96	97	4.02
4	Mar. '52	98½	100¼	3.95
4½	Aug. '58	100	102	4.09
4½	Jan. '63	103	104½	4.19
Alberta:				
4	Dec. '54	59	63	d
4½	Oct. '51	65	..	d
c4½	Oct. '56	61	65	d
*5	Oct. '59	64	68	d
c5½	Apr. '52	68	72	d
6	Mar. '47	70½	74½	d
British Columbia:				
c4	Dec. '57	97	101	3.92
*4½	Jan. '51	100	104	4.01
c4½	Oct. '53	100	104	4.10
c5	Apr. '54	103	107	4.31
5½	Feb. '45	103	107	3.87
6	Feb. '47	104	108	4.30
Manitoba:				
c4	Dec. '57	90	94	4.51
c4½	Dec. '56	91½	95½	4.91
*5	Dec. '59	97	101	4.92
5½	Oct. '55	98	102	5.30
6	Apr. '47	100	104	5.25
Saskatchewan:				
4	Sept. '54	75	79	6.28
4	Nov. '60	72½	76½	6.04
c4½	Oct. '51	84	88	6.00
c4½	Mar. '60	77½	81½	6.14
5	Aug. '58	83	87	6.21
5½	Oct. '52	87	91	6.60
6	Mar. '52	90	94	6.78

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 3, 1940

Industrials:	Bid	Ask.
Acme Farm. D.	28	30½
Andian National	27	28½
Anglo C. Tel., A	8½	8¾
Atlas Steel	19	..
Barrymore, pfd.	29	..
Blue T. Brew. A	8½	9½
B. C. Pulp, c.	17	19
Do., pfd.	68	73
B. C. Sugar	70	73
B. C. Tel., 1st p.	110	115
Burns & Co., A	3½	4½
Do., B	2	3
Can. Col. Air.	3½	4
Can. Co-op. Wl.	6½	8
Can. Cr. Stone p	22	..
C. I. L., A c.	220	..
Can. Ing. Rand	70	73
Can. Mot. L.A.B.	2¾	..
Can. Tube, 1st p.	80	..
Chase, A. W., p.	17½	20
Claude Neon, p.	5½	7
Colonial Steam.	17½	18½
Dom. Manuf., p.	61	65
Dunlop T. p. $25	22	24½
Easy Wash. p $10	10½	11
Goderich Elev.	8½	9½
Guard. Realty, p.	15½	18½
Guelph Carp., p.	102	105
Do., com.	18	19½
Gurney Fdry, p.	1¾	1¾
Hayes Steel, c.	9½	10½
Hi'land Dairy, p.	45	55
Homewood San.	100	120
Inglis, John, c.	5	7½
Ingram & Bell	22	25
Kingston Sh. un	24	26
Loblaw Inc., c.	12½	13½
Minn. O. Pap.	4	4½

	Bid	Ask.
Morrison Br. un	3	5
M'row Screw, p.	99	..
Do., com.	10	..
Neilson, Wm., c.	10	..
Do., pfd.	101	..
N. B. Tel., c.	12½	15½
N. Meth. Ldy., p	51½	58
Niag. L. A. Br.	50	60
Ont. Tobacco, p.	15	..
Pac. C. Term., c.	9½	..
Paterson, Wm. p	100	..
Prov. Paper, pfd	105½	107½
Ruddy, E. L., p.	21	25
Seal O Sac (Can.)	1	2
Stand. Fuel, p.	59	65
Stedman, pf. $50	56	59
Tor. Carpet, c.	34½	40
Do., pfd.	60	64
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	23	24
Viceroy Mfg., p.	23½	25½
Do., com.	11½	15½
Trusts & Loan Stocks:		
Brit. Mtge.	130	..
Capital Tr.	23½	28½
Com. Fin., c.	2½	3
Grey & B. Tr. $50	43	47
Guaranty Trust	98	102½
Guelph & C. $50	50	55
Lambton Loan	32	..
London & West.	33	37
Sherbrooke Tr.	120	..
Sterling Trust	56	..
Traders Fin. A c	10	11½
Do., A pfd.	90	95
Trusts & Gr., new	50	54
Victoria Trust	76	84
Insurance Stocks:		
Brit. Amer.	50	56

	Bid	Ask.
Canada Life	380	400
Canadian Fire	79	..
Confed. 30% pd.	135	..
Continental L.	33	..
Crown fully pd.	250	280
Dominion Fire	134	..
D. of Can. Gen.	110	135
Empire 25% pd.	5½	6½
Excelsior 36% pd	57½	62
Federal 25% pd.	51	55
Great-West Life	208	215
Imperial Life	290	310
Manufac. Life	218	240
Monarch Life	33	..
Sov. L. 25% pd.	12	15
Sun Life	350	380
Tor. General	5	5½
Wellington Fire	58	..
Western Assce.	40½	43
Theatre Stocks:		
Allens, Kings. p.	61	68
Do., London p	50	56
Do. St. Cath. p	52	56
Do., Tor. p.	31½	35
Mansf. Theat., p	26½	30
Para., Kitch., p.	50½	55
Do., Oshawa, c	9	11
Investment Trust Shares:		
Can. Investors	5½	6
Deb. & Sec., pf.	63	..
Sec's. Hold., pf.	18½	21
United Corp., A	20	22
Do., B	5	6
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	100	..
Gt. Lakes Pr., p	101	103½
Mtl. Is. Pwr. p.	20	..
Nor. Ont. Pr., p	75	85

Unlisted Mines

Toronto, Dec. 3, 1940

	Bid	Ask
Acordia	—	.20
Addington	.01	.02
Alb. Riv. (Old)	.10	.12
(New)	.23	.26
Amal Kirk	.08	.09
Anoki	.03¾	.04½
Aquarius	.25	.28
Arjon	.03	.05
Armistice	.03	.05
Argosy	.07	.08
Area	.04	.04½
Arno	½	.01½
Athona (Old)	.01½	.03
(New)	.03½	.04½
Barb Lard	.02	.02½
Bilmac	½	.01¼
Bonetal	.49	.53
Brock	.28	.30
Buff Bear	.02	.03
Calder Bo	.03	.04½
Central M	.02¾	.03¾
Cheminis	.02	.02¾
Coin Lake	.03	.04
Cons Chib	.04	.07
Crescent	.01	.01½
Dayton	.02	.02¾

	Bid	Ask
Demp Cad	.01	.01¼
Desants n	.29	.32
Dona Pat	.02	.03
E. Lacoma	½	.01
Elmos	.07	.09
Franco	.29	.33
Galore	.01½	.03
Gan Cop	.13½	.14½
Gate Pat	½	.01
Gilbec	½	.01
Gordon Leb	½	.01½
Hiawatha	.04	.05
Hoyle nw	.29	.30
Hugh Pap	.08½	.10
Hutch Lke	.01½	.02½
Jason	.51	.55
Keora	.01½	.02½
Kenricia	.01	.02
Kewagama	.01½	.02½
Kiena	.05	.07
Kirk Gate	.01	.02
Lacoma	½	.01½
Lake Duf	.20	.23
Lake Gen	.05	.07½
Lardego	.01½	.02½
Lw Pete	.18	.23
Magnet C	.82	.87
Magnet L	.17	—

	Bid	Ask
Magwell	.02	.05
Manik'u	5.25	5.50
Martin Br.	.02½	.03½
Margaret	.10	.11
Mata Can	.04	.06
Mata Con	.17	.18½
Mof Hal n	.01	.01½
Monarch	.01½	.02
Mooshla	.06	.02
Mosher	.06¼	.07½
McGregor	—	.01¾
Nat Mal	.51	.55
Negus	.65	.75
New Roy	½	.01
New Aug.	.28	.31
Nickel O.	1.00	1.25
Norbeau	.23	—
Norlake	.01	.02
Norwin	.02	.03
Oklend	.08½	.09½
O'Leary M	.01½	.02½
Oriole	½	.01½
Opemiska	.02	.04
Oriole	½	.01½
Orpit	—	.01½
Ossian	.01	.02
Pontiac (Old)	.08	.10

	Bid	Ask
Pascalis	.30	.33
Pelangio	.01	.02
Polaris	.12	.15
Presdor	.05½	.06
Propri'y	2.25	2.50
Queb man	.06	.08
Rahn Lke	.01½	.02½
Rand Mi	.11	.13
Red Lake	.02	.03
Sachigo	2.85	3.25
Senore	.07	.09
Shenango	.02½	.03
Sheldon	.03½	.04½
Siscoe Ex	.01½	.02½
Skynner	.05½	.07
Smelters G	.02	.02½
Spooner	.03½	.04½
Sunbeam	.03	.05
Springer	.11	.12
Stadacona	.07½	.09
Thomson	.11	.13
Thomp Cd	.02	.04
Treaty P	—	.18
Union Min	.04	.05½
Wasu	.04	.05½
West Red	.04	.05
Woco	.03	.04
Y David'n	.23	.25

Montreal, December 3, 1940

	Bid	Ask
Cad Exp.	.02	.04
Chibmac	—	.02
C. Pand'ra	.01	.02
Cournor	.18	.21
Dubisson	.15	—
L Rowan	.03	.05
Obalski	.01¾	.03
Pan Can	.05	.07
Scott Ch.	.02½	.03½
Westwd C.	.03½	.03

Oil Quotations

Par Val.	Range 1940 High	Low	Company	Sales	Close Nov. 25 (or last)	High for week	Low for week	Close Dec. 2
No	.08	.02¼	East Crest	500	.05	.04	.04	.04
No	.26	.15	Extension	......	(.16½ bid .18 asked)			
No	.40	.30	Federated Petrol.	1,000	.37	.38	.37	.38
25c.	.08½	.05	Firestone	......	(.... bid .05½ asked)			
No	1.05	.38	Foothills	100	.80	.80	.80	.80
25c.	.10	.10	Foundation Pete	......	(.05 bid .... asked)			
No	.12	.08½	Four Star	......	(.... bid .12 asked)			
No	.17	.09	High Sarcee	......	(.12 bid .... asked)			
No	3.19	1.31	Home Oil	8,060	2.55	2.55	2.24	2.36
No	.03	.01½	Madison	......	(.01 bid .02½ asked)			
No	.04½	.00¾	Marjon Oil	1,000	.01½	.01½	.01½	.01½
No	.15	.05½	McD. Segur Ex.	......	(.05 bid .... asked)			
No	.07½	.03	Mercury	600	.04	.04½	.04½	.04½
No	.07½	.04	Mill City Pete	......	(.04 bid .... asked)			
1	.31	.12	Model	100	.20	.17	.17	.17
25c.	.08½	.04	Monarch Royal	100	.05½	.05	.05	.05
25c.	.21	.05	National Pete	......	(.05 bid .... asked)			
1	.05	.04	Nordon	......	(.04 bid .... asked)			
No	1.31	.58	Okalta	600	.80	.80	.72	.72
No	.06½	.03	Pacalta Oil	1,500	.06	.05	.04½	.05
1	.42	.19	Pacific Petroleum	500	.25	.25	.25	.25
25c.	.21½	.08	Prairie Royal	1,000	.08½	.09	.09	.09
No	.19½	.08	Royal Canadian	2,700	.09½	.09½	.09	.09½
No	.10½	.06	Royal Crest	......	(.07½ Sept. 25)			
No	36.00	17.50	Royalite	......	(20.00 bid .... asked)			
No	.07½	.03	South End	......	(.03½ May 16)			
No	.60	.21	Southwest Pete	......	(.25 Sept. 11)			
1	.06	.02	Spooner	......	(.04½ bid .... asked)			
25c.	.38	.11½	Sunset Oil	......	(.10½ bid .... asked)			
No	.09	.03½	United	......	(.03 bid .... asked)			
No	.07	.03½	Vanalta	......	(.04 bid .... asked)			
1	.63	.23	Vulcan	......	(.30 bid .40 asked)			
No	.05	.02	West Flank	......	(.02 Nov. 9)			

* Quotations for 1939.

Winnipeg Stocks

(Transactions from Nov. 25 to Nov. 30)

	Sales	High for period	Low for period	Close Nov 30
Beaver Lumber, pf.	25	99.00	99.00	99.00
Dominion Envelope, pref.	18	100.00	100.00	100.00
Franco Oils	200	.30	.30	.30
Marshall Wells, pref.	10	55.00	55.00	55.00
Northern Trusts	10	7.00	7.00	7.00
Traders Finance, A	85	10.50	10.50	10.50
Do., B	100	10.50	10.50	10.50
United Grain Growers	43	9.75	9.75	9.75
Western Steel Prod.	60	9.25	9.00	9.00
Wingold	14,415	.07½	.06½	.07½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c.	..	4
Can. Airways	1	..
Can. Indemnity	150	..
Dom. Envelope, c.	6	..
Federal Grain, p.	34	36
Home Invest.	13	..
Nor. Can. Mtg. p.	5	..
Traders Bldg.	43	..
West. Brew.	1⅞	2
West. Grain, p.	..	7
Wings	.25	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 3	10,600	19,400	364,000	......
Dec. 2	7,800	16,500	175,000	28,694
Nov. 30	4,700	5,000	169,000	11,650
Nov. 29	12,100	14,900	207,000	17,950
Nov. 28	6,400	28,200	296,000	15,640
Nov. 27	10,600	22,900	345,000	7,308

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 3, 1940

Industrial and Realty Issues:

	Int. Rate %	Due	Bid Dec. 3	Asked	Bid Nov. 26
†Abitibi P. & P.	5	'53	68½	71½	69
Acadia Sugar	4½	'55	101	...	101
†Alta. Pa. Grain	6	'46	98	101	98
Atlantic Sugar	4	'51	99½	...	99½
†B. C. P. & Pap.	6	'50	90	93	89
*Brown Co.	5½	'46	52½	55½	53½
Burns & Co.	5	'58	58½	62½	61½
Canada Bread	6	'41	101	104	101
Canada Cement	4½	'51	103	106	103½
Can. Paper	4½	'52	99½	...	99½
Can. Steamship	5	'57	96½	99½	96½
Can. Canners	4	'51	100	103	99½
*Can. Int. Paper	6	'49	101	104	101½
C. P. R.	3½	'51	88	91	88½
Do.	4	'49	92	95	92½
Do.	4½	'44	98½	101½	97½
Do.	6	'42	103	106	103
†Consol. Paper	5½	'61	69	72	69
Dom. Coal	4½	'52	100½	103½	100
Dom. Stl. & Co.	6½	'55	106	109	106½
Dom. Tar	4½	'51	101	104	101
†Donnacona P.	4½	'56	76½	79½	77
Famous Players	4½	'51	99	102	99½
†Federal Grain	6	'49	98	101	98
†Fraser Cos.	6	'50	97½	100½	97½
Gen. Stl. Wares	4½	'52	98½	101½	98½
*Great L. Paper.	5	'55	92½	95½	93½
†Gypsum, Lime	5½	'48	99	102	99
Ham. By-Pr. C.	5	'55	102	105	101½
Inter-City Bak.	5½	'48	100	...	100
*Inter. P., Nfld.	4½	'68	90	94	90
Lake St. J. P.	5½	'61	89½	92½	89½
Maple Leaf M.	3	'58	74½	77½	74½
Massey-Harris	4½	'54	92	95	92
McColl-Fron.	4½	'49	101	104	101
McCormick's	4	'52	96	99	96
Mercury Mills	5	'59	91	94	92
*M. & O. Paper	6	'45	52½	55½	53
Nat. Grocers	4	'47	100	...	100
N. S. Stl. & Co.	3½	'63	84	87	84
Price Bros.	5	'57	97	100	97
*Prov. Paper	5½	'47	104½	...	104
Reliance Grain	4½	'52	94	...	94
†Restigouche Co.	6	'48	96	99	97½
Rolland Paper	4½	'51	101½	104½	102
Simpsons Ltd.	4½	'51	100	103	100½
Smith, Howard.	4½	'51	103	106	103
*United Gas	5½	'48	103	...	103
United Gr. Grs.	5	'48	96	99	96
†Western Grain	6	'49	49	53	49

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
°Payable in U. S. only.
‡Payable in Canada only.

Investment Trusts*

	Bid	Asked
Affiliated Fund	2.63	2.88
Can. Amer. Trust	3.25	3.75
Grouped Income	...	5.15
Trans-Canada	10.30	11.30

Annual Meetings

1940	Company	Place
Dec. 2	Bank of Montreal	Montreal
Dec. 5	Alexandra Apartments†	Toronto
Dec. 9	Northern Can. Mines	Toronto
Dec. 12	Mercantile Trans. Forwarding	Montreal
Dec. 12	Sherwin-Williams	Montreal
Dec. 12	Traders Finance‡	Toronto
Dec. 13	Loew's London Th.	Toronto
Dec. 13	Marcus Loew's Th.	Toronto
1941		
Jan. 9	Provincial Bank	Montreal
Jan. 9	Royal Bank	Montreal
Jan. 15	Bank of Toronto	Toronto

†Bondholders. ‡Special.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	Jan. 2	Dec. 16
Amal. Electric	25c	Dec. 26	Dec. 10
Asbestos Corp.	15c	Dec. 31	Dec. 15
Do., bonus	15c	Dec. 31	Dec. 15
Alta. W. Pres., p.	$1.75	Jan. 2	Dec. 23
Aluminium	$2	Dec. 20	Nov. 30
Anglo-Huronian	10c	Dec. 30	Dec. 16
Assoc. Brew.	60c	Dec. 21	Dec. 14
Do., pref.	$1.75	Jan. 2	Dec. 14
Algoma Steel, pf.	$2.50	Jan. 1	Dec. 15
Amer. Cyan., A, B	†▲$1.50	Dec. 20	Dec. 6
Do.	†15c	Jan. 2	Dec. 12
Do., pref.	†12½c	Jan. 2	Dec. 12
Belding-Cort.	$1	Jan. 2	Dec. 14
Do., pref.	$1.75	Jan. 2	Dec. 14
B. C. Elec. Pr., pf.	$1.50	Jan. 2	Dec. 20
Bralorne Mines	20c	Jan. 15	Dec. 31
Do., extra	10c	Jan. 15	Dec. 31
Brazilian Tr., p.	$1.50	Jan. 2	Dec. 14
Burlington Steel	15c	Jan. 2	Dec. 16
Bulolo Gold	$1.50	Dec. 16	Nov. 21
Bk. Nova Scotia	$3	Jan 2	Dec. 16
Brit. Amer. Oil	25c	Jan. 2	Dec. 12
Beatty Bros., 2nd p.	$3.50	Jan. 2	Dec. 16
Bell Telephone	$2	Jan. 15	Dec. 23
Blue T. Brew., A	30c	Dec. 31	Dec. 15
Borden Co.	†50c	Dec. 20	Dec. 7
B. C. Elec. Rly., pf.	2½%	Jan. 15	Dec. 31
B. C. Power, A	50c	Jan. 15	Dec. 31
Bathurst Pr., A	25c	Dec. 23	Dec. 5
Bright, T. G.	7½c	Dec. 16	Nov. 30
Do., pref.	$1.50	Dec. 16	Nov. 30
Broulan Porc.	■3c	Dec. 21	Dec. 6
Can. Celanese	25c	Dec. 31	Dec. 17
Do., extra	40c	Dec. 31	Dec. 17
Do., pref.	$1.75	Dec. 31	Dec. 17
Do., Inc. Fd. rts.	$1	Mar. 15	Dec. 31
Canada Malting	50c	Dec. 14	Nov. 30
Do., extra	50c	Dec. 14	Nov. 30
Can. Canners	12½c	Jan. 2	Dec. 14
Do., pref	25c	Jan. 2	Dec. 14
Do., participating	5c	Jan. 2	Dec. 14
Do., 2nd pref.	15c	Jan. 2	Dec. 14
Do., participating	5c	Jan. 2	Dec. 14
Canada Cycle	30c	Jan. 2	Dec. 10
Do., extra	20c	Jan. 2	Dec. 10
Do., pref.	$1.25	Dec. 26	Dec. 10
Can. Nor. Power	■25c	Jan. 25	Dec. 31
Do. pref.	■$1.75	Jan. 15	Dec. 31
Can. Perm. Mtge.	$2	Jan. 2	Dec. 14
Can. Cottons	$1	Jan. 2	Dec. 13
Do. pref.	$1.50	Jan. 2	Dec. 13
Con. D. Std. Sec., p	37½c	Dec. 16	Nov. 30
Canada Packers	75c	Jan. 2	Dec. 16
Cariboo Gold	4c	Jan. 2	Dec. 3
Do., extra	2c	Jan. 2	Dec. 3
Can. Breweries, pf.	75c	Jan. 2	Dec. 14
Can. For. Invest., p.	$2	Jan. 1	Dec. 15
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Can. West'ghouse	■87½c	Jan. 1	Dec. 16
Can. Wire Box, A	37½c	Jan. 2	Dec. 16
Cel. of Am., stk. div.	*	Dec. 10	Oct. 11
Do., prior pf.	†$1.75	Jan. 1 '41	Dec. 17
Do., part. pfd.	†$3.50	Dec. 31	Dec. 17
Can. W. & Cable, A	$1	Dec. 15	Nov. 30
Do., B	50c	Dec. 15	Nov. 30
Do., pref.	$1.62½	Dec. 15	Nov. 30
Can. Gen. Elec.	$2	Jan. 2	Dec. 14
Chesterville L.	▲5c	Dec. 14	Nov. 25
Canada Cement, p.	$1.25	Dec. 20	Nov. 30
Can. Malartic G.	■2c	Dec. 17	Nov. 28
Can. Indemnity	$3	Jan. 2	Dec. 20
Do., bonus	$2	Jan. 2	Dec. 20
Canadian Fire	$2	Jan. 2	Dec. 20
Confederation Life	$1.50	Dec. 31	Dec. 25
Canada Bud Brew.	20c	Dec. 12	Dec. 6
Can. Tube & Stl., p.	$3	Dec. 16	Dec. 7
Can. Foundries, A	37½c	Dec. 16	Dec. 2
Do., B	$1.50	Dec. 18	Dec. 2
Cap. W. Cloth, p.	37c	Dec. 15	Dec. 10
Cons. Smelters	50c	Dec. 31	Nov. 30
Do., extra	75c	Dec. 31	Nov. 30
Can. Indust., A, B	$1.75	Dec. 20	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Chartered Trust	$1	Jan. 2	Dec. 16
Cent. Patricia	4c	Jan. 2	Dec. 12
Do., extra	2c	Jan. 2	Dec. 12
Cons. D. Sdt. Sec. p	37½c	Dec. 16	Nov. 30
Cons. Sand, pref.	$3.50	Dec. 18	Dec. 7
Com. Alcohol, pf.	10c	Jan. 15	Dec. 31
Coronation Rylts.	1½c	Dec. 30	Dec. 20
David & Frere, A	25c	Dec. 31	Dec. 16
Dom. Textile	$1.25	Jan. 2	Dec. 14
Do., pref.	$1.75	Jan. 15	Dec. 31
Deb. & Secs., pref.	$2.50	Jan. 1	Dec. 23
Distil.-Seag., c.	55½c	Dec. 16	Dec. 2
Dominion Coal, pf.	38c	Jan. 2	Dec. 14
Dome Mines	■50c	Jan. 20	Dec. 31
Dom. Foundries, c.	25c	Jan. 2	Dec. 20
Dom. Glass	$1.25	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	Dec. 16
Dom. Woollens, pf.	▲60c	Jan. 2	Dec. 14
Dunlop Tire	50c	Dec. 27	Dec. 16
Do., pref.	62½c	Dec. 31	Dec. 16
Easy Wash., pf.	17½c	Jan. 2	Dec. 20
English Elec., A	62½c	Dec. 16	Nov. 30
Electrolux	†25c	Dec. 23	Dec. 5
Famous Players	25c	Dec. 27	Dec. 17
Fanny Farmer	†37½c	Dec. 20	Dec. 5
Do., extra	†25c	Dec. 20	Dec. 5
Ford Motor, A, B	25c	Dec. 21	Nov. 30
Francoeur Gold	▲3c	Dec. 20	Dec. 5
Foundation Co.	25c	Jan. 18	Dec. 31
Foundation Pete.	1c	Dec. 30	Dec. 20
Gatineau Pwr., p.	$1.25	Jan. 1	Nov. 30
Do., 5½% pref.	$1.38	Jan. 1	Nov. 30
Do., com.	20c	Dec. 31	Nov. 30
Gold Belt M.	2c	Dec. 16	Nov. 30
Goldale Mines	2c	Dec. 18	Dec. 3
Growers' Wine	•5c	Dec. 15	Dec. 10
Greening Wire	15c	Jan. 2	Dec. 16
Gt. L. Pap., A, B, p.	50c	Dec. 31	Dec. 21
Hart Battery	10c	Dec. 31	Dec. 10
Do., extra	15c	Dec. 31	Dec. 10
Ham. Cotton, pf.	50c	Jan. 2	Dec. 14
Do., arrears	$1.25	Jan. 2	Dec. 14
Hard Rock G.	5c	Dec. 20	Nov. 30
Ham. Un. Theat., p.	$1.25	Dec. 31	Nov. 30
Hinde & Dauch	12½c	Dec. 20	Dec. 10
Honey Dew	50c	Jan. 2	Dec. 14
Hudson's Bay, pf.	2½%	Jan. 1	Nov. 30
Huron & E. Mtge.	1%	Jan. 2	Dec. 14
Howey Gold	3c	Dec. 31	Nov. 30
Hudson Bay M.	$1	Dec. 16	Dec. 3
Imp. Tobacco, ord.	10c	Dec. 31	Dec. 6
Island Mtn. M.	7c	Dec. 16	Dec. 2
Inter. C. Bak.	$1.50	Dec. 10	Dec. 2
Inter. Nickel, c.	50c	Dec. 31	Dec. 2
Inter. Coal & C.	1½c	Dec. 10	Dec. 5
Inter. Nickel, pf.	†$1.75	Feb. 1	Jan. 2
Int. Paints, pfd.	$1	Jan. 10	Dec. 11
Do., arrears	25c	Jan. 10	Dec. 11
Inter. Power, pf.	$1.75	Jan. 2	Dec. 14
Kerr-Add. Gold	5c	Dec. 20	Nov. 30
Kerr Lake M.	†5c	Dec. 16	Dec. 2
Little Long Lac	10c	Dec. 21	Dec. 7
Louisiana Land	†5c	Dec. 16	Dec. 2
Lake Shore M.	■50c	Dec. 14	Nov. 30
Lamaque Gold	10c	Jan. 1	Dec. 6
Levy Bros., c.	15c	Dec. 27	Dec. 12
Lang, J. A.	17½c	Jan. 2	Dec. 15
Mansfield Th., pfd.	$1.75	Dec. 30	Dec. 20
Mitchell, J. S., p.	$1.75	Jan. 2	Dec. 16
Mitchell, Robt.	50c	Dec. 20	Dec. 10
McColl-Fron., p.	$1.50	Jan. 15	Dec. 31
McGillivray Coal	1½c	Dec. 10	Dec. 5
Do., extra	1c	Dec. 10	Dec. 5
McManus Pete.	30c	Jan. 3	Dec. 26
Do., pref.	30c	Jan. 3	Dec. 26
Madsen R. Lake	3c	Dec. 15	Dec. 1
Moore Corp.	†50c	Jan. 2	Dec. 7
Do., extra	†60c	Jan. 2	Dec. 7
Do., A, B, pref.	†$1.75	Jan. 2	Dec. 7
McIntyre Porc.	$1.11	Jan. 2	Nov. 1
Magnet Cons.	5c	Dec. 18	Nov. 25
Montreal Cottons	$1	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Mtl. Refrig. & S., p.	$1.25	Dec. 16	Dec. 4
MacLeod-Cockshutt	10c	Dec. 20	Nov. 30
Model Oils	2c	Dec. 21	Dec. 2
Modern Contain.	20c	Jan. 1	Dec. 20
Do., extra	10c	Jan. 1	Dec. 20
Do., pref.	$1.37½	Jan. 1	Dec. 20
MacKinnon Stl., pf.	$1.25	Dec. 16	Dec. 2
Marcus Loew's, pf.	$3.50	Dec. 21	Dec. 7
Montreal Loan	31¼c	Dec. 16	Nov. 30
McKen. R. Lake	‡3c	Dec. 18	Nov. 30
Macassa Mines	8c	Dec. 16	Nov. 30
Do., extra	3c	Dec. 16	Nov. 30
Melchers, pref.	30c	Dec. 20	Dec. 4
Mtl. C. & D. Bank	$3	Jan. 2	Dec. 14
Do., extra	$1	Jan. 2	Dec. 14
Naybob Gold	▲1c	Jan. 15	Jan. 1
Do.	1c	Apr. 15	Apr. 1
Nat. Grocers, pf.	37½c	Jan. 1	Dec. 14
Nipissing Mines	15c	Dec. 11	Nov. 15
Nat. Biscuit	†40c	Jan. 15 '41	Dec. 13
Nat. Steel Car	50c	Jan. 15	Dec. 31
Noranda Mines	$1	Dec. 16	Nov. 25
North Star Oil, p.	8¾c	Jan. 2	Dec. 16
Neon Pr. W. Can.	35c	Dec. 20	Dec. 5
Nat. Breweries	50c	Jan. 2	Dec. 14
Do., pref.	43c	Jan. 2	Dec. 14
Nat. Steel Car	50c	Jan. 15	Dec. 31
North. Emp. Mines	10c	Dec. 27	Dec. 13
Ont. Loan & Deb.	†$1.25	Jan. 2	Dec. 16
Ottawa Elec.	30c	Dec. 30	Dec. 16
Ottawa L. H. Pr.	25c	Jan. 1	Nov. 23
Do., pref.	$1.25	Jan. 1	Nov. 23
Power Corp.	15c	Feb. 1	Dec. 31
Do., pref.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	75c	Jan. 15	Dec. 31
Preston E. Dome	5c	Jan. 15	Dec. 31
Do., extra	5c	Jan. 15	Dec. 31
Placer Develop.	60c	Dec. 16	Nov. 21
Pato Cons. G.	10c	Dec. 18	Nov. 21
Paton Mfg.	50c	Dec. 15	Nov. 30

NOTICE OF MEETING

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the tenth day of December next.

The chair will be taken at 11 o'clock a.m.

By order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 18th October, 1940.

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 9th day of January, 1941, at 11 o'clock a.m.

By order of the Board.

S. G. DOBSON
General Manager

Montreal, December 2, 1940.

Canadian Wirebound Boxes Limited

Dividend Notice

Take Notice that the Directors of this company have declared a dividend of thirty-seven and one-half cents (37½c) per share on account of arrears on the class "A" shares of the company, payable January 2nd, 1941, to shareholders of record at the close of business December 16th, 1940.

By Order of the Board,

J. P. BERNEY,
Secretary.

Mining Dividends

	Rate	Close Dec. 2	Yield %
Anglo-Huronian	10c	2.25	..
Beattie Gold	16c+2c	1.08	*16.6
Bralorne	80c+40c	9.90	*12.1
Broulan Porc.	6c	.83	..
Buffalo Ankerite	‡31c	4.50	..
Bulolo Gold	$3	14.50	20.7
Can. Malartic	8c	.50	..
Cariboo Gold	16c+8c	2.15	*11.1
Central Patricia	16c+7c	1.88	*12.2
Chesterville	†5c	1.23	..
Cochenour Willans	†3c	.77	..
Coniagas	‡25c	1.50	..
Coniaurum	16c+2c	1.40	*12.8
Cons. Smelters	$1+$1.25	39.50	*5.7
Delnite	‡6c	.95	..
Dome Mines	$2	24.00	8.3
East Malartic	30c	2.76	10.9
Francoeur Gold	†3c	.43	..
God's Lake	2½c	.38	..
Goldale	2c	.15	..
Gold Belt	†2c	.29	..
Gunnar Gold	‡6c	.36	..
Hallnor	60c	5.10	11.8
Hard Rock	‡10c	.98¾	..
Hedley Mascot	‡8c	.55	..
Hollinger	65c+45c	13.12	*8.3
Howey Gold	‡2c	.30	..
Hudson Bay	$1.75	26.50	6.6
Inter. Nickel, com.	$2	34.75	5.7
Island Mountain	15c	1.00	..
Kerr Addison	‡15c	3.35	..
Kerr Lake	†10c	.20	..
Kirkland Lake	10c+2c	.95	*12.6
Kootenay Belle	‡12c	.26	..
Lamaque Gold	40c+10c	5.05	*9.9
Lake Shore	$2	19.50	10.2
Leitch	8c	.51	15.7
Little Long Lac	30c	2.25	13.3
Macassa	32c+3c	3.55	9.8
Madsen R. Lake	6c	.57	..
McGillivray Coal	3c+1c	.25	..
McKenzie Red L.	▲12c	1.20	10
McWatters	10c	.26	..
Moneta	12c	.55	21.8
McIntyre Porc.	$2.05½+1■	48.50	*6.2
MacLeod-Cockshutt	‡20c	2.31	..
Naybob Gold	4c	.31	..
Nipissing	15c	1.10	..
Noranda	$4	56.00	7.2
North Empire	‡50c	7.45	..
O'Brien Gold	‡10c	1.09	..
Pamour Porc.	12c	1.38	8.7
Pato Cons.	20c	2.10	..
Paymaster	2c	.24	..
Perron Gold	16c+4c	1.66	*12
Pioneer, B.C.	40c	2.20	18.1
Pickle Crow	40c	2.93	13.7
Placer Develop.	$1.20	10.00	12
Premier	12c	.87	13.8
Preston E. Dome	20c+5c	3.10	..
Privateer Mine	‡16c+2c	.53	..
Powell Rouyn	20c	1.10	..
Quebec Gold	‡2c	.28	..
Relief Arlington	†5c	.03	..
San Antonio	14c+6c	2.50	*8
Sheep Creek	16c+3c	.90	*21.1
Sherritt Gordon	10c	.82	..
Sigma Mines	‡45c	7.50	..
Silbak Premier	16c	.60	26.6
Siscoe	‡11½c	.50	..
Sturgeon River	†2c	.19	..
Sudbury Basin	2½c	1.31	..
Sullivan Cons.	‡9c	.59	..
Surf Inlet	†1½c	.10	..
Sylvanite Gold	20c+10c	2.60	*11.5
Teck-Hughes	40c+5c	3.25	*13.8
Toburn	8c+8c	1.41	*11.3
Upper Canada	‡6c	1.80	..
Ventures	†15c	3.00	..
Waite Amulet	†10c	3.60	..
Wendigo	†3c	.20½	..
Wright-Harg.	40c+30c	7.10	*9.8

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.
■An extra dividend of $1.11 declared payable Jan. 2, 1941.
▲Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Do., pref.	$1.75	Dec. 15	Nov. 30
Pioneer Gold	10c	Jan. 2	Nov. 30
Perron Gold	4c	Dec. 21	Nov. 30
Do., extra	1c	Dec. 21	Nov. 30
Pickle Crow	10c	Dec. 31	Dec. 16
Page-Hersey	$1.25	Jan. 2	Dec. 16
Price Bros., p.	°$1.37½	Jan. 2	Dec. 21
Do., arrears	°$1.37½	Jan. 2	Dec. 21
Remington Rand	†20c	Jan. 2	Dec. 10
Do., pref.	†$1.12½	Jan. 2	Dec. 10
Real Est. Loan	$1	Jan. 2	Dec. 17
Regent Knit	25c	Dec. 30	Dec. 14
Do., pref.	40c	Dec. 30	Dec. 14
Reliance Grain, p.	$1.62½	Dec. 14	Nov. 30
R. S. Mills, A	50c	Jan. 2	Nov. 19
Russell Indust.	20c	Dec. 26	Dec. 10
Do., pref.	$1.75	Dec. 26	Dec. 10
Siscoe Gold	2½c	Dec. 16	Nov. 16
Sherritt G. M.	■5c	Dec. 12	Nov. 12
Sher.-Williams, pf.	$3.50	Jan. 2	Dec. 15
Sylvanite Gold	†5c	Dec. 28	Nov. 6
Do., extra	†5c	Dec. 28	Nov. 6
South. Can. Pr.	20c	Feb. 15	Jan. 31
Do., pref.	$1.50	Jan. 15	Dec. 20
Simon & Sons	15c	Dec. 21	Dec. 7
Do., pref.	$1.75	Dec. 21	Dec. 7
St. Law. Corp., A	25c	Jan. 15	Jan. 2
Do., extra	90c	Dec. 23	Dec. 10
St. Law. Paper, p.	50c	Jan. 15	Jan. 2
Do., extra	$2	Dec. 23	Dec. 10
Supersilk H., pf.	$2.50	Jan. 2	Dec. 13
Securities Hold., p.	65c	Jan. 2	Dec. 20
Sheep C. Gold	4c	Jan. 15	Dec. 31
Smith, H. Pap., p.	$1.50	Jan. 15	Dec. 31
Teck-Hughes	10c	Jan. 1	Dec. 6
Toronto Elevators, c.	$1	Dec. 7	Nov. 25
Toronto Elevators, p.	66c	Dec. 7	Nov. 25
Tor. Gen. Trusts	$1	Jan. 2	Dec. 14
Traders Fin., A, rts.	$1	Jan. 2	Dec. 16
Do., B, rights	$1	Jan. 2	Dec. 16
Do., pref.	$1.50	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	
Trans-Can. Shs.	0.228	Dec. 1	Coup. 15
Union Gas	20c	Dec. 14	Nov. 20
United Fuel, A pfd.	75c	Jan. 2, '41	Dec. 20
Ventures	■10c	Dec. 21	Nov. 29
Weston, Geo., c.	20c	Jan. 2	Dec. 12
Walker-Good.	$1	Dec. 16	Nov. 29
Do., pref.	25c	Dec. 16	Nov. 29
Wilsil	25c	Jan. 2	Dec. 14
Wr.-Hargreaves	11.1c	Jan. 2	Nov. 20
Do., extra	5.55c	Jan. 2	Nov. 20
Do., interim	11.1c	Jan. 20	Dec. 2

†Payable in U. S. funds.
■Subject to approval by Foreign Exchange Control Board.
*One share for each 30 common shares held.
‡Plus 1 sh. McMarmac Red Lake Gold Mines for each 5 shs. McKenzie held.
▲Paid in 5% cum. conv. pf. stock 2nd series in 1939, 3rd series in 1940. Fractional shares or scrip paid in cash.
°Arrears eliminated after Jan. 2/41 payment.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the eleventh day of December, 1940, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 24th October, 1940.

The Bank of Toronto

ANNUAL MEETING

The Annual Meeting of the shareholders will be held at the Head Office of the Bank, King and Bay Streets, Toronto, on Wednesday, the Fifteenth day of January, 1941, the chair to be taken at noon.

F. H. MARSH,
General Manager.

Canada Permanent Mortgage Corporation

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

THURSDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fourteenth day of December, 1940.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, November 20th, 1940.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of Two Dollars per share has been declared payable on the 15th day of January, 1941, to shareholders of record at the close of business on the 23rd of December, 1940.

F. G. WEBBER,
Secretary.

Montreal, November 27, 1940.

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

Notice is hereby given that at a meeting of the Board of Directors of this Company, held November 27th, 1940, a dividend of eighty-seven and one-half cents (87½c) per share was declared upon the outstanding Capital Stock of the Company, payable January 1st, 1941, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government, to Shareholders of record December 16th, 1940.

Cheques will be mailed to Shareholders.

By order of the Board,

W. E. SPRAGUE,
Secretary.

Hamilton, Canada, Nov. 28th, 1940.

Canadian Breweries Limited

Dividend Notice

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Cumulative Sinking Fund convertible Preference Shares of the Company has been declared, payable on the 2nd day of January, 1941, to Shareholders of record at the close of business on the 14th day of December, 1940.

By Order of the Board,

W. C. BUTLER,
Secretary.

Toronto, Ontario,
November 28, 1940.

The B. Greening Wire Company, Limited

Common Dividend No. 13

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company, Limited, held in the office of the Company November 25th, 1940, a dividend of Fifteen Cents per share on the Common Shares of the Company was declared payable January 2nd, 1941, to shareholders of record December 16th, 1940.

F. J. MAW,
Secretary.

Hamilton, Ont., November 27, 1940.

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared, payable January 15th, 1941, to shareholders of record at the close of business, December 31st, 1940.

By Order of the Board.

The Hamilton Cotton Co. Limited

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly Dividend of 50 cents per share on the outstanding Preferred Shares of the Company, together with $1.25 per share against the outstanding Dividend arrears on the Preferred Shares, be paid on January 2nd, 1941, to shareholders of record at the close of business on Saturday, December 14th, 1940.

By Order of the Board.

JOHN BOWSTEAD,
Secretary.

Hamilton, November 29th, 1940.

Borden's

COMMON DIVIDEND
No. 123

The final dividend for the year 1940 of fifty cents (50¢) per share has been declared on the outstanding common stock of this Company, payable December 20, 1940, to stockholders of record at the close of business December 7, 1940. Checks will be mailed.

The Borden Company
E. L. NOETZEL, Treasurer

DIVIDEND NOTICES

Securities Holding Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that an interim Disbursement of Sixty-Five Cents per share has been declared upon the preferred shares of the Company, payable January 2nd, 1941, to shareholders of record at the close of business on the 20th day of December, 1940.

By order of the Board.

F. T. LARGE,
Secretary.

Toronto, November 29th, 1940.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 72

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Monday, December 16, 1940 to shareholders of record at the close of business on Friday November 29.

DIVIDEND NO. 73

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this company, payable Monday, December 16, 1940 to shareholders of record at the close of business on Friday November 29.

By Order of the Board,

FLETCHER RUARK,
Secretary.

Walkerville, Canada.
November 15, 1940.

DIVIDEND NOTICE

The Robert Mitchell Co. Limited

Notice is hereby given that a Dividend of Fifty Cents (50c) per share upon the outstanding Capital Stock of the Company has been declared payable on the 20th day of December, 1940, to shareholders of record on December 10th, 1940.

By Order of the Board,

H. S. McGEE,
Secretary.

Montreal, P.Q.
November 28th, 1940.

Honey Dew Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifty cents (50c) per share, on the outstanding capital stock of the Company, has been declared payable on the second day of January, 1941, to shareholders of record at the close of business on the 14th day of December, 1940.

By Order of the Board,

R. G. McMULLEN,
Secretary.

Toronto, Ontario.
November 27, 1940.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 104

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for the quarter ended November 30th, 1940.

Notice of Common Stock Dividend No. 59

A dividend of one per cent (1%) has been declared on the Common Stock of this Company for the quarter ended November 30th, 1940.

The above dividends are payable on the 2nd day of January, 1941, to Shareholders of record at the close of business the 14th day of December, 1940.

By Order of the Board.

D. F. POLLOCK,
Secretary.

Dominion Woollens & Worsteds, Limited

Notice of Preferred Stock Dividend

Notice is hereby given that a Dividend of Three Per Cent (3%) has been declared on the Six Per Cent Non-Cumulative Participating Preferred Shares of Dominion Woollens & Worsteds, Limited, payable 2nd January, 1941, to Shareholders of record 14th December, 1940.

By Order of the Board,

F. C. COCKBURN,
Secretary.

Toronto,
November 28, 1940.

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of twenty-five (25c) cents per share on the No Par Value Common Stock of the Company has been declared for the Quarter ending December 31, 1940, payable January 18, 1941, to Shareholders of record at the close of business on December 31, 1940.

By Order of the Board,

C. E. GREARSON,
Secretary.

Montreal, November 28, 1940.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the One Hundred and Fourteenth and One Hundred and Fifteenth Quarterly Dividends of One and Three-quarters per cent. (1¾%) each, being at the rate of Seven per cent. (7%) per annum for each of the Quarters ending November 30, 1939 and February 29, 1940, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 15th day of December, 1940, and that cheques will be mailed January 2, 1941.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Quebec.
November 19, 1940.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice of Dividend No. 19

Notice is hereby given that a Quarterly Dividend of four cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of January, 1941, to shareholders of record at the close of business on the 31st day of December, 1940.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 31st December next.

By Order of the Board.

JAMES ANDERSON,
Secretary.

Vancouver, B.C.,
November 30, 1940.

Week in Wheat

Limited Buying Keeps Prices Above Minimum

Futures Contracts All in No. 1 Northern — Most Grain to Wheat Board — More Interest in Rye and Coarse Grains

From Our Own Correspondent

WINNIPEG.—Opening of the December delivery month saw 1,754,000 bushels of wheat delivered on the futures contract. This was all No. 1 Northern, as all lower grades are trading at above the delivery basis.

While volume of trading is small and buying comes mainly from Canadian mills for manufacture of domestic flour and to a small extent from the United States for milling in bond, it is sufficient to keep prices slightly above pegged levels.

Most of the new wheat delivered by farmers is going to the Wheat Board. On 1 Northern the majority of farmers seem to be prepared to ignore differentials up to two cents a bushel in favor of open market as compared with Wheat Board initial prices. On lower grades, of which quantities are limited, the margin in favor of the open market is greater and a fair percentage of these is sold outright by farmers.

Rye, Oats and Barley

Deliveries of rye on the December contract were over 1,000,000 bushels and served to call attention to the fact that this grain appears to be somewhat undervalued in the market as compared with wheat, oats and barley. With export business lacking and distillers' requirements limited, rye tends to be reduced to a feed grain basis and farmers are not much accustomed to buying it for feeding purposes.

Demand for both oats and barley continues strong, with probability that lake-head terminals will be fairly well cleared of stocks before navigation finally closes. The immediate demand has held cash prices up to or above prices for the deferred delivery months.

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Closing Shipments Light

Shipments out of lakehead terminals on Saturday last were heavy, a total of 5,600,000 bushels being cleared on 26 vessels, in order to take advantage of regular insurance rates. Although that quantity was large, the total shipments for the closing days of navigation are on a smaller basis than was earlier anticipated. Availability of vessels for winter storage has been reduced to some extent by transfer of vessels to ocean service, by prospects for a heavy ore business out of Duluth next spring, as well as by heavy general business on the lower lakes. However, if weather conditions make it feasible, it is still possible for another 10 to 15 million bushels to be loaded before Dec. 15.

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More Space Now

Clearances from terminal elevators have enabled room to be made for all grain which had been held on track awaiting an opportunity for unloading. As a result the railways are now loading grain fairly freely out of country elevators, so space in most cases is being made available for farm deliveries to take up the recently authorized advance in delivery quotas from eight bushels per acre to ten. In addition the Board continued to authorize additional local quotas at a large number of delivery points. Quotas allocated add up to more than the space likely to be available before country elevators are completely filled. Some allowance, however, can now be made for farmers who are willing to defer delivery of their wheat until the spring or later and in the meantime accept government storage charges.

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Deliveries 200 Million

Deliveries of wheat by farmers from the 1940 crop now amount to about 230 million bushels and by the end of December will probably be well over 250 million bushels. Some 200 million bushels of additional deliveries are to be expected during the first seven months of 1941, if the announced intention of the Government is to be carried out, namely, that the Canadian Wheat Board will take delivery prior to July 31 of all wheat farmers offer. To make that possible, a still larger amount of additional storage space will have to be constructed.

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Argentine-Australian

The fact that harvest of a crop close to average in size is commencing in the Argentine draws attention to the fact that British millers have lately been using larger quantities of Argentine wheat in their milling mix, with some reduction in the use of Canadian wheat. That would appear, however, to be due mainly to the using up of supplies previously laid in for storage and the desire not to continue too long storage of wheat in the damp climate of the British Isles.

Movement of new crop Argentine wheat is expected to be on a very small scale, although a certain limited quantity of shipping space is likely to be available. Argentina is commencing to use surplus corn for fuel, for which it has a certain value, although very low. No such use can reasonably be made of its surplus wheat.

As harvest progresses in Australia prospective outcome of the crop is lowered, with a total yield perhaps not more than 30 million bushels in excess of the country's domestic requirements. With a heavy carryover, Australia will still have more wheat than she can easily dispose of.

Wheat Prices

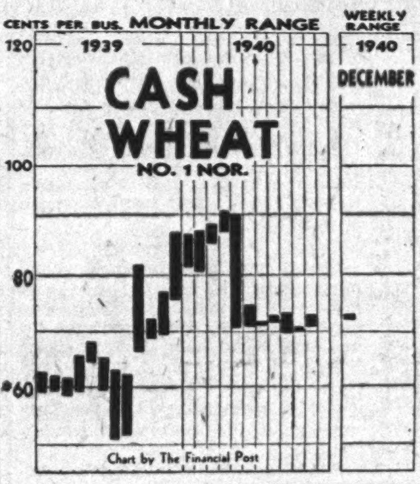

Chart by The Financial Post

Cash Quotations

	For Week Dec. 2 High	For Week Dec. 2 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.73	.72⅝	.72⅝	.71½
1 Nor.	.73	.72⅝	.72⅝	.71½
2 Nor.	.70⅞	.70½	.70⅝	.69¾
3 Nor.	.69	.68¾	.68⅞	.68
4 Nor.	.66¼	.64	.66⅝	.65¾
5 Wheat	.62¼	.61½	.63⅛	.62¼
6 Wheat	.60	.59½	.59⅝	.58¾
Feed	.56	.55½	.55⅝	.54¾
Oats				
2 C. W.	.36⅛	.35⅝	.36¼	.34⅝
3 C. W.	.34⅝	.32⅞	.33½	.32⅝
Barley				
1 Feed	.42⅝	.38⅝	.45⅝	.41⅝
2 Feed	.41⅝	.38	.45⅛	.40⅝
Flax:				
1 C. W.	1.31¼	1.28½	1.29⅛	1.25¾
2 C. W.	1.27¼	1.24½	1.26⅛	1.21¾
Rye:				
2 C. W.	.46⅝	.46⅛	.46⅞	.45½

Winnipeg Grain Futures

Week to Dec. 2, 1940

Crop year from Aug. 1, 1940 High	Crop year from Aug. 1, 1940 Low		Open Nov. 26	High for week	Low for week	Close Dec. 2	Close year ago
		Wheat					
.74⅝	.71⅝	Dec.	.72¼	.73	.72	.73	.75¾
.77⅝	.75⅛	May	.76⅛	.77¼	.76¼	.77¼	.80¼
.79¼	.77½	July	.78¼	.78⅞	.77⅞	.78⅞	.81½
		Oats					
.34⅞	.25⅝	Dec.	.32¾	.33⅞	.32¾	.33⅛	.34⅞
.33⅝	.26⅝	May	.32¼	.33¼	.32¼	.32⅝	.36⅛
.32⅝	.29½	July	.....	.32⅛	.31¼	.31⅜	.35⅝
		Barley					
.48⅛	.30½	Dec.	.43¼	.45¼	.42	.42⅞	.45
.46⅞	.33⅝	May	.42⅝	.44¾	.42⅛	.43⅛	.47⅜
.44⅞	.39⅞	July	.....	.43¼	.41⅛	.41⅞	.46¾
		Flax					
1.34⅛	1.15¼	Dec.	1.29½	1.32¾	1.28⅞	1.28⅛	1.68⅞
1.39⅝	1.16	May	1.34	1.37	1.33⅝	1.33⅜	1.72¼
1.37⅜	1.29½	July	....	1.37⅜	1.34¾	1.34¾	1.69½
		Rye					
.49⅛	.40¾	Dec.	.46⅜	.47⅜	.46⅛	.46¼	.62¾
.52	.44¼	May	.49¼	.50⅝	.49¼	.49½	.64⅜

DIVIDEND NOTICES

DIVIDEND NOTICE

International Paints (Canada) Limited

The regular dividend of 5% for the twelve months ended September 30th, 1940, and an additional dividend on account of arrears of 1¼% or 25 cents per share, have been declared on the new 5% Cumulative Participating Preferred Stock of the Company, payable on January 10th, 1941, to shareholders of record at the close of business on December 11th, 1940.

By Order of the Board.

D. R. W. McKEAN,
Secretary-Treasurer.

Montreal, December 2nd, 1940.

CONSOLIDATED DIVERSIFIED STANDARD SECURITIES LIMITED

Dividend No. 17

NOTICE is hereby given that a dividend of 37½ cents per share on the outstanding fully paid non-cumulative redeemable First Preference shares has been declared, payable December 16, 1940, to shareholders of record November 30, 1940. Transfer books will be closed from December 1 to December 16, 1940, inclusive.

By Order of the Board,

D. C. McBRIDE, Sec.

P.S.—Dividends accruing on fully paid shares not as yet registered in the company's stock records shall be set aside and paid only when registration shall have been completed.

Central Patricia Gold Mines, Limited

Dividend No. 18

EXTRA DIVIDEND No. 10

A dividend of 4c per share, and an extra dividend of 2c per share, making 6c per share in all, have been declared by the Directors on the capital stock of the company, payable the second day of January, 1941, to shareholders of record at the close of business on the twelfth day of December, 1940.

DATED at Toronto this second day of December, 1940.

By order of the Board.

C. E. ELLIOTT,
Ass't Sec.-Treas.

DIVIDEND NOTICES

Gatineau Power Company

Notice of Dividend on 5% Cumulative Preferred, 5½% Cumulative Preferred and Common Shares

Montreal, Canada
November 21, 1940.

The Board of Directors has declared a quarterly dividend of $1.25 a share on the 5% Cumulative Preferred shares and $1.38 a share on the 5½% Cumulative Preferred shares of the Company payable January 1, 1941 to shareholders of said classes of record at the close of business on November 30, 1940; also a quarterly dividend of Twenty cents ($.20) a share on the Common Shares of this Company outstanding at the close of business on November 30, 1940, payable on December 31, 1940, to shareholders of said class of record at the close of business on November 30, 1940.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS,
Secretary.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

No Par Value Common Stock

No. 19, interim, 15c. per share, for six months ending December 31st, 1940. Payable February 1st, 1941, to holders of record at the close of business December 31st, 1940.

6% First Cumulative Preferred Stock

No. 62, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock (par value $50)

No. 54, quarterly, 75c. per share. Payable January 15th, 1941, to holders of record at the close of business December 31st, 1940.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, November 22nd, 1940.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared this day the following dividends:

6% Cumulative Participating Preferred Stock

No. 84, quarterly, $1.50 per share, payable January 15th, 1941, to holders of record at the close of business December 20th, 1940.

No Par Value Common Stock

No. 63, quarterly, 20c. per share, payable February 15th, 1941, to holders of record at the close of business January 31st, 1941.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, November 22nd, 1940.

GRAIN MERCHANTS
RECEIVERS · SHIPPERS · EXPORTERS
Owning and Operating Terminal, Transfer and Country Elevators Capacity 12,500,000 Bushels
MEMBERS Winnipeg Grain Exchange Chicago Board of Trade New York Produce Exchange and other Exchanges
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WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
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COMPANY LIMITED
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OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

Delivery of all 1940 Crop to be Accepted by Ottawa
Announcement by Trade Minister, Nov. 22nd
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Size 24" x 34"
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THIRD FLOOR

Life Insurance

Policy Loans About Average

No Unusual Tendency Seen to Borrow on Life Insurance to Meet War Expenditures—Higher Cost of Coverage Influences Policyholders

Will the heavy taxes the Canadian people are being called on to pay as their contribution to the cause of the war be met by increased borrowing on life insurance policies?

While it is rather early to say yet definitely, enquiries among a number of life insurance company executives indicate that no great increase is expected.

There is always a certain amount of borrowing on life insurance policies for various purposes. Some people, it is felt, may possibly have to borrow this way to meet their tax bill. But whether the total number will be sufficient to affect the total amount out on loan seriously or not remains to be seen.

So far, it is stated, there has been no abnormal demand for loans. Some companies report a decrease.

Policyholders in Canadian life insurance companies and British and foreign companies in Canada, according to the latest figures available, had borrowed on their policies approximately $300 millions or about 10% of the total admitted assets at the end of 1939. The total amount of loans was slightly lower than at the end of 1938.

These loans while a cause for regret in that they bring lapse of the policies concerned somewhat nearer, are also a cause for satisfaction in that they show how life insurance provides a substantial amount of money for the living policyholders at a time when it is needed.

Loans Seldom Repaid

It is, however, the sad experience of the companies that once a loan is taken on a policy, it is frequently never repaid. Interest charges add to the yearly cost and eventually the policy is almost worthless and finally is dropped. The beneficiaries it was designed to protect may suffer, unless some other arrangement is made for their protection. The general run of policyholders also lose because lapsed policies mean additional costs as well as reducing the general total amount of earning assets of the companies.

The question has sometimes been raised as to whether policy loans were too easy to obtain, thus defeating the purpose for which the policy was bought.

It has been suggested sometimes that the privilege of borrowing on a life insurance policy should be withdrawn. But it was felt on the other hand that as the policy really belonged to the policyholder and his beneficiary they should be allowed to borrow the money when the need arose.

As a matter of fact the average policy loan is small. According to a recent estimate it was about $200 a policy. But these small loans are stated to be a prolific cause of lapses unless some arrangement is made to settle them.

Few Deliberate Lapses

Few people take out a loan on their policy with the definite intention of letting it lapse. They need the ready cash to pay a doctor's bill or to buy furniture for the house or to make a payment on the house itself. They figure that they can easily pay it off over a reasonable length of time. But the difficulty is that in many cases they do not pay them off. The interest charges add to the yearly premium and often are not paid. These add to the amount of the debt outstanding and the interest charges are higher the next year. Eventually the cost becomes too high and the policy is allowed to lapse.

Companies don't care for the policy loan business. They refuse to lend on policies in force less than three years. They charge interest at 6%. They try to dissuade the policyholder from borrowing on his insurance. They tell him that unless paid off it will increase his cost, that if he should die in the meantime his beneficiary will receive the face value of the policy less the loan and all interest owing. That if he lets the policy lapse and tries to replace it with a new policy it will cost a higher premium. They make him get the signature of his beneficiary before letting him have the money and the cheque is made payable to the policyholder and the beneficiary jointly.

Influence Prudent Policyholder

These are the arguments that have most weight with the prudent policyholder. Those who bought insurance with the view to protecting their dependents are not anxious to let their life insurance go altogether nor even to reduce it substantially.

On the other hand the sales staff argue that unless loan privileges are given, it will be much more difficult to sell insurance. The wavering prospect is often induced to sign on the dotted line by telling him that after three years he can borrow almost the whole cash surrender value.

Because of this and the fact that many policyholders feel that they and their beneficiaries have a right to the money they have paid in it is unlikely any steps will be taken to make borrowing more difficult.

In some cases it is felt it is unnecessary to do so in wartime as the general experience has been to make people value their life insurance more highly and not only to retain what they have but to increase their purchases of it.

Central Canada Sales Higher

Ontario and Quebec Buy More Insurance — Total For Canada Down

Life insurance sales in Canada and Newfoundland in October were down 2.2% from the same month of 1939 according to figures compiled by the Life Insurance Sales Research Bureau from data received from 18 companies representing 84% of the new ordinary life insurance in the two countries. It includes new paid-for ordinary insurance and is exclusive of group insurance, renewals revivals, etc.

Among the different areas, Quebec and Ontario only showed gains, the advances there being 6.9% and 6.5% respectively. Alberta had the biggest decline of 36.9% with Manitoba next at 25.7% and Saskatchewan third with 17.9%. The small cash payments for wheat in the western provinces are generally given as one reason for the decline in the Prairies. Total sales in Canada to date at $298.5 millions are about 99% of those for the first 10 months of 1939.

Comparative figures for months and provinces follow:

Life Insurance Sales in Canada and Newfoundland October

	— 000's of $ — 1940	1939	Change %
Alberta	1,256	1,991	—36.9
Br. Columbia	1,984	2,382	—16.7
Manitoba	1,574	2,121	—25.7
New Brunswick	891	953	— 6.5
Nova Scotia	1,354	1,416	— 4.4
Ontario	14,084	13,218	+ 6.5
Pr. Edw. Island	173	206	—16.0
Quebec	8,618	8,061	+ 6.9
Saskatchewan	1,029	1,254	—17.9
Newfoundland	247	298	—17.1
Total	31,210	31,900	— 2.2

Sales by Months, 1937-1940

(000's of $)

	1937	1938	1939	1940
Jan.	27,789	31,287	28,767	23,726
Feb.	30,619	31,796	29,202	31,820
Mar.	32,322	33,461	31,710	30,265
Apr.	32,562	30,612	26,357	32,248
May	31,916	31,016	30,123	31,779
June	37,908	35,660	32,226	28,530
July	32,040	30,635	20,902	28,159
Aug.	28,411	28,446	26,494	24,693
Sept.	27,730	27,928	34,252	26,156
Oct.	33,416	32,372	31,900	31,210
Nov.	38,020	37,167	36,062	....
Dec.	37,125	36,475	36,692	....

Banking

Who Signs the Cheques For Business Firms?

Opinions Expressed to The Financial Post Indicate Greater Emphasis is Put on Authorization of Expenditures Than on Actual Signing

Who signs the cheques by which the greater proportion of the business of the country is transacted?

Cheques themselves are not money. They are simply an instrument for transferring deposits in a bank from one person or corporation to another. The deposit itself is money. The cheque is the order to pay the person in whose favor it is drawn, a stated amount of a bank deposit in legal tender.

Normally the transfer is effected without any withdrawal or actual handling of currency.

Through the agency of the cheque, a part or possibly the whole of a bank deposit is withdrawn from the credit of the person drawing the cheque and placed at the credit of the person in whose favor it is drawn.

In the case of individual bank accounts, these cheques are signed by the owner of the deposit. If it is a joint account, two people may sign cheques which will be honored by the bank provided it has authority to pay cheques signed by either one.

But in the case of incorporated companies the situation is different.

The bank deposits in that case do not belong to an individual. They belong to the corporation. If the company has many shareholders it is impossible for all the owners of the corporation's bank deposits to sign the cheques.

Authorized Officials

Accordingly certain officials duly approved by the directors must be given authority to do the signing.

Formerly when the average business was smaller and the number of cheques not so great, it was practically the universal custom to have all cheques signed by the president of the company and some other official, possibly the general manager, secretary, treasurer or assistant secretary. Two signatures were considered a sort of check on the signing officers as well as a protection against forgery. It is more difficult for a crook to forge two names successfully than one.

But as the business grew and the number of payments made by cheques increased, the signing of these transfers has become a job taking up much time and also a tiring one.

Take, for instance, the case of a company with thousands of shareholders. The dividend cheques all have to go out the same time. If the president and secretary sign them all, they may be working for days. Then in the ordinary business there are hundreds of other cheques ranging all the way from very small amounts up to possibly hundreds of thousands of dollars to be signed.

It is impracticable for the president or general manager of such a corporation to sign all the cheques that go out.

What then can he do?

In many cases, he or the directors of the company may designate one or more officers as signing officers to sign cheques. The signatures of these men are sent to the bank with a copy of the by-law or minute of the company authorizing them to sign cheques. and these officials, put under bond, are then responsible.

The trend toward this procedure has been expedited by a feeling in business generally that more important than the actual signing of the cheque is the approval of the payment of the amount whether it be a dividend or a large amount for supplies or equipment.

Authorization of a payment includes such matters as economy, judgment as to whether an expenditure is necessary, etc. Payment is more a mechanical matter.

In many concerns, however, the actual signatures attached to the cheque are still those of the senior executives, the president, the general manager, vice-president, secretary-treasurer or possibly a director. In some cases other officers such as assistant secretary or assistant treasurer sign. Many companies have an officer called a comptroller really a secretary-treasurer who signs. In most cases that have come to notice the policy seems to be still to have two signatures on the cheque.

Two Recent Movements

It is stated, however, that there have been two pronounced movements in recent years.

One of these is to have the cheques signed by only one individual. The other is to have them signed by mechanical means.

Where the cheque is signed by one person he is, of course, first of all a responsible official and then is heavily bonded as a safeguard against any indiscretion on his part.

Signing by Machinery

Where mechanical devices are used for signing, a cut is made of the signature of the individual concerned and this is kept strictly guarded under lock and key in the custody of some trusted official, not necessarily the one whose signature it bears.

In some cases the plate is kept in a box that can be opened only by using two keys. One is kept by the official responsible for signing, the other by the operator of the machine or possibly by another director of the firm. In this way it is said the same control is effected as when two actual signatures are applied.

The custodian of the cut, however, is responsible that it is not wrongly applied. These machine signatures, it is claimed when used on specially prepared paper defy counterfeiting.

Of course, the bank accepts the machine signatures when authorized to do so.

In this way, much time is saved the higher officials of a business concern, as even if the president's signature is required it can be attached by machinery much more rapidly than he could sign them himself.

While all sorts of systems are in vogue business men with whom The Post discussed the matter leaned to the belief that there was a tendency to pass signing of cheques over to one or more of the lesser officials even where the signing is done by machinery. There is also a trend toward having the cheques signed by only one rather than two officials, though such cases are said to be still in the minority.

Increases Seen In Bank Debits

Expansion Shown in All Economic Areas Except Prairies

Expanding business due to the War is reflected in an increase of 22% in the amount of cheques cashed at the chartered banks in the 32 clearing house centres of Canada in October compared with last year. The total was $3,527 millions against $2,899 millions a year ago.

Increases were shown in each of the economic areas except the Prairies which were down 16%. Gains in the other areas were: Maritimes, 12.4%; Quebec 18.5%; Ontario 49%, and British Columbia 15.1%.

Compared with September, 1940, the increase in the total was 19.4%. Here again gains were recorded in every area except the prairies. The small initial payments on the wheat crop are evidently a factor curtailing the movement of money in that section.

The total for the first 10 months of 1940 was $28,180 million against $25,630 million in 1939.

Bank Debits to Individual Accounts (Millions of dollars)

	Oct. 1940	Sept. 1940	Oct. 1939
Maritimes:			
Halifax	42.1	34.5	42.0
Moncton	12.8	10.6	10.0
Saint John	22.4	17.1	16.6
Total	77.3	62.6	68.7
Quebec:			
Montreal	779.6	625.5	686.3
Quebec	128.3	82.8	80.3
Sherbrooke	9.7	7.8	7.7
Total	917.7	716.1	774.4
Ontario:			
Brantford	14.3	10.5	10.3
Chatham	10.3	7.7	7.4
Fort William	8.1	7.0	6.4
Hamilton	78.8	64.6	65.4
Kingston	10.3	7.1	7.5
Kitchener	16.5	13.4	13.6
London	50.7	31.7	35.4
Ottawa	303.9	197.7	113.3
Peterborough	8.6	7.1	7.0
Sarnia	8.0	5.9	6.2
Sudbury	8.4	7.1	7.8
Toronto	1,141.3	688.9	839.1
Windsor	56.7	44.2	32.0
Total	1,716.3	1,093.2	1,151.5
Prairies:			
Brandon	5.2	4.0	3.8
Calgary	81.5	66.6	84.7
Edmonton	58.4	49.0	46.1
Lethbridge	5.9	5.7	6.9
Medicine Hat	4.3	3.8	4.1
Moose Jaw	9.4	7.4	11.5
Prince Albert	3.7	2.9	3.3
Regina	73.1	67.9	92.9
Saskatoon	16.5	12.6	16.0
Winnipeg	353.9	310.9	458.2
Total	612.1	530.9	727.6
British Columbia:			
N. W'minster	9.7	8.4	7.5
Vancouver	159.4	128.5	140.8
Victoria	34.1	31.4	28.2
Total	203.2	168.3	176.5
Total for Canada	3,526.6	2,571.2	2,898.9

Weekly Statement Bank of Canada

Reserves of sterling and United States exchange with the Bank of Canada for the week ended Nov. 27 at $69.6 millions were about $4.5 millions higher than in the previous week. Investments were about $1.3 millions higher, gains being shown in both long term and short term issues.

On the liability side, the chief change was in total deposits, which rose over $8 millions. The rise was in deposits of the chartered banks, Dominion Government and other deposits being lower. The rise in deposits of the chartered banks with the Bank of Canada probably reflected increased public deposits with the commercial banks which accordingly were increasing their reserves with the central institution.

Balance Sheet

	Nov. 27 1940 $	Nov. 20 1940 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	333,646,905	335,071,427
Rest fund	2,449,757	2,449,757
Depos.: Dominion	77,484,414	80,215,120
Bank	222,783,160	206,802,320
Other	5,736,161	10,351,834
Total deposits	306,003,735	297,369,274
All other liabs.	6,746,614	6,543,084
Total liabs.	653,847,011	646,433,542
Assets		
Reserve:		
In sterl. & U. S.	69,625,657	65,175,657
Subsidiary coin	628,977	627,851
Investments:		
Dom. Gov. short.	434,493,405	433,520,429
Other Dom. Gov.	140,364,432	139,981,845
Total invest.	574,857,837	573,502,274
Premises	1,735,395	1,734,299
All other assets	6,999,145	5,393,461
	653,847,011	646,433,542

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357 BAY ST., TORONTO

Provide for YOUR FUTURE SECURITY...

... By putting aside just a few dollars monthly

The Mutual Life of Canada offers a variety of protection and savings plans. Ask a representative of Canada's oldest and largest "mutual" life insurance company to give you full information.

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Established 1869
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"Owned by the Policyholders"

United States Fidelity & Guaranty Company
TORONTO

Fire and Casualty Insurance

Sprinkler Leakage Coverage Seen As Cold Weather Need

Lower temperature in various parts of Canada has recently turned attention of Canadian industrialists and insurance men alike to the possibility of loss caused by leakage from automatic sprinkler systems.

Automatic sprinklers are a powerful factor in curtailing fire losses.

But as nothing mechanical is perfect and automatic sprinklers are a mechanical device, breakdowns do occur, and when they do, losses may be substantial. Loss or damage caused by accidental discharge of water from a sprinkler system in an office, warehouse or factory can be made good only by sprinkler leakage insurance.

With factories and warehouses full of raw and finished materials owing to war business, it is felt that losses might be very substantial.

In a recent study of 13,855 sprinkler losses made by the National Board of Fire Underwriters of the United States, the relative importance of the different causes was listed as follows:

	% of whole
Freezing	38.5
High temperatures	25.7
Miscellaneous, including alleged defective sprinklers, etc.	15.9
Mechanical injury (breaking belts, settling of buildings, etc.)	16.9

Canada is just coming into her period of lowest temperatures when the risk of freezing is greatest.

Freezing of an automatic sprinkler system, causing it to burst, could very quickly bring heavy losses to any person owning a heavy stock of goods, raw or finished.

It has been estimated that the pressure of water in the average system is so heavy that about 35 gallons of water would flow from an open head in a minute. Accordingly if a breakage from frost occurs loss is liable to be extensive.

But colder weather generally means that heating apparatus is kept operating at a higher level than normal. This might result in overheated rooms with a consequent flood of water.

Another factor apt to contribute to heavier sprinkler losses is the mechanical injury liable to occur when plants are operating actively. Belts are liable to break, buildings are apt to settle. Goods piled close to the ceiling may come in contact with the sprinkler system, causing it to operate

Where buildings are occupied partly by tenants, there are two angles to the water hazard. The tenant of the building, if he were the owner of goods stored there, would be the first to lose. But he might make a claim for damages against the owner of the building. This is a matter insurance men are drawing to the attention of their clients.

Fire Insurance Problems

Halifax Fire

Would like some information on the Halifax Insurance Co., as to the volume of business it is doing, earnings outlook, general record, etc. Why is its stock so low?

The Halifax Insurance Co. is the oldest Canadian insurance company having been established 1809 as the Fire Insurance Association of Halifax. Its name was later changed to the Halifax Fire Insurance Co. and over a year ago to the Halifax Insurance Co. It operates under Dominion license. In 1939 its total income was $1.7 million and total expenditures about $67,000 higher. At Dec. 31 last the company had total assets of about $6.1 millions and net surplus at $1.9 millions. Including capital, policyholders' surplus was about $3.9 millions.

The company recently has shown increased aggressiveness and has written a large volume of business, it is understood. If this should prove profitable, it should react favorably on the stock.

In connection with the loss on last year's operations it may in fairness be pointed out that this appeared to be due to an underwriting loss for the year, a circumstance which happens occasionally with every insurance company.

The present price of the stock may be due to general market conditions which find a number of stocks selling at relatively low values.

The WAWANESA
Mutual Insurance Company
Assets Exceed ... $2,600,000.00
Surplus 1,330,363.89
Dominion Govt. Deposit exceeds 1,000,000.00
Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
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CONCOURSE BUILDING
TORONTO
Fire and Allied Lines Written in Associated Companies

THE Dominion of Canada GENERAL Insurance Company
Established 1887
Fire Casualty Life

Life Insurance Problems

Western Life

Can you give me a price on the shares of the Western Life Assurance Co. also any information as to how it has been doing in recent years?

Western Life Assurance Co. shares are quoted unofficially at around $6 to $7. The stock is not listed so there is no official market for it, and there is liable to be considerable difference between prices paid in different transactions and in different parts of the country.

The company, as you know, passed under new control over two years ago when a Hamilton group acquired the controlling interest. In 1939 new business written was $2.2 millions and business in force $6.6 millions. These figures compared with $1.8 million and $5.7 millions respectively in 1938. H. H. Gray of Hamilton is president and general manager.

Fire Insurance Notes

The New Brunswick Federation of Labor recently adopted a resolution advocating compulsory public liability and property damage insurance for all motor vehicle owners in that province. The resolution urged that the Government should enter the business to handle this compulsory protection. Plans accordingly were made to start a campaign for compulsory automobile insurance under Government auspices at the 1941 session of the legislature.

* * *

Montreal has the distinction of having the highest rates for burglary insurance paid by any muncipality in Canada. The rates were recently raised 25 cents per $100 of value insured. Yet, the burglary rates in some of Montreal's suburbs including Verdun, Montreal South, Longueuil, St. Lambert and Cote St. Luc have been lowered. Vancouver it is stated, pays the second highest burglary rates in Canada.

* * *

Edwards and Angas Ltd., insurance adjusters of Toronto, have arranged to take over the business of the late Walter P. Thomson at Hamilton. Services of Miss C. Christie and F. G. Haskins of the former staff will be retained. The office meanwhile will be under the direction of G. M. Pelton, a director of Edwards and Angas.

Drug Company Sells Assets

Approval of court is being sought for sale of the assets of Anglo-Canadian Drugs Ltd. to R. B. Faith of Oshawa, Ont., for $25,000 cash and the assumption of an $8,000 mortgage registered against Anglo - Canadian property. The sale is being carried out by Premier Trust Co., receiver and manager, under instruction of the bondholders.

The company was organized in 1934 to manufacture pharmaceutical goods at Oshawa, Ont. It encountered financial difficulties in 1938, at which time Premier Trust was appointed receiver and manager.

The Financial Post learns officially that it is uncertain yet what will be left for bondholders. Prior claims of creditors have to be met and all accounts have not been received. Should some cash be available after creditors are satisfied, it probably will be used to keep up payments on a life insurance policy on one of the directors, B. M. Gordon, vice-president. This ultimately would result, therefore, in a substantial distribution to bondholders.

The company has $75,000 of 6% 10-year general mortgage bonds issued and outstanding, of $100,000 authorized. Interest is in arrears about two years.

Life Insurance Notes

P. V. Bond has been appointed manager of Toronto No. 1 branch of the Great West Life Assurance Co., succeeding C. F. Dunfee, recently appointed superintendent of eastern agencies for the company. Mr. Bond joined the Great West in 1927 and in 1938 became manager of the Winnipeg branch. He is a past-president of the Winnipeg Life Underwriters' Association and last year was provincial vice-president of the Association for Manitoba.

He will be succeeded at Winnipeg by J. N. Connacher, who joined the company's staff in 1937 at Winnipeg. A year ago he was made manager at Hamilton, Ont.

* * *

Unless some unfavorable development occurs in the last weeks of 1940, the industrial policyholders of the Metropolitan Life Insurance Co. in Canada will have a lower death rate for the year than ever before. Up to the end of October, mortality was 4.2% lighter than last year, according to the company's statisticians.

Mortality during the year from all four of the principal communicable diseases of childhood as well as from influenza, pneumonia and diseases of the intestinal tracts etc., has been lower.

Obituaries

John J. Lyons, president, Capital Trust Co., Ottawa, aged 79, at Ottawa.

W. T. Perry, formerly manager for Canada of the Ocean Accident and Guarantee Corp., killed by enemy action, aged 62, in England.

H. E. Blatch, manager, Montreal district office of the Canadian Westinghouse Co., at Toronto.

H. M. Bostwick, sales manager, Canadian Westinghouse Co., aged 63, at Hamilton, Ont.

M. J. O'Brien, formerly president. M. J. O'Brien Ltd. and chairman of the Board Deloro Smelting and Refining Co., aged 89, at Renfrew, Ont.

Paul F. Bredt, of Winnipeg, president Canadian Co-operative Wheat Producers Ltd. of Winnipeg at Calgary.

Arthur J. Glazebrook, formerly partner in Glazebrook & Cronyn exchange brokers and formerly special lecturer in banking at the University of Toronto, aged 78 at Toronto.

Monthly Bank Clearings

	—November— 1940 $	1939 $
Halifax	14,979,261	13,319,426
Saint John	9,266,218	8,373,096
Moncton	4,201,833	3,685,725
Sherbrooke	3,731,211	3,462,600
Quebec	23,359,840	21,805,637
Montreal	462,530,327	433,459,163
Ottawa	182,320,775	98,081,049
Kingston	2,997,197	2,794,712
Peterborough	2,679,121	2,561,557
Toronto	544,773,013	480,191,512
Hamilton	26,356,469	26,544,577
Kitchener	5,046,528	5,242,770
Brantford	4,090,446	3,750,898
London	11,884,220	11,550,669
Sarnia	2,055,424	1,979,449
Winnipeg	206,926,214	291,549,087
Sudbury	4,586,153	4,691,754
Fort William	3,684,216	3,503,857
Brandon	1,864,407	1,591,384
Regina	24,105,857	25,539,750
Moose Jaw	3,221,247	3,144,402
Saskatoon	7,152,258	7,697,158
Prince Albert	1,898,339	1,861,605
Calgary	29,069,165	29,969,399
Lethbridge	3,057,296	3,311,897
Medicine Hat	1,679,538	1,255,148
N. Westminster	3,155,262	2,802,784
Vancouver	78,030,490	76,307,333
Victoria	7,953,266	7,593,585

Staff Changes

The Dominion Bank announces the following staff changes:

W. H. HODGIN, accountant Montreal branch, to be assistant manager St. Lawrence Blvd., Montreal.

E. K. McL. JONES, manager Rosseau, Ont., to be manager Rectory St., London, Ont.

C. L. FORREST, accountant Fort William, Ont., to be manager Rosseau, Ont.

JAMES STEELE to be accountant, Montreal.

* * *

The Bank of Toronto announces the following staff changes:

E. P. RUSH, formerly accountant main office, Victoria, to be manager Pioneer Mine, B.C.

J. E. BOYLE, manager Pioneer Mine, B.C., to be manager Malartic, Que., succeeding C. A. Danby.

* * *

The Bank of Nova Scotia announces the following staff changes:

W. E. ALLEN to be manager at Petitcodiac, N.B.

R. A. S. ELLIOT to be manager Agincourt, Ont.

F. G. BURR to be assistant supervisor of branches.

R. L. DALES to be manager Calgary.

S. K. CRAWFORD to be manager Swift Current, Sask.

E. H. ACTESON to be manager Sheet Harbour, N.S.

MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

ST. HYACINTHE, QUE.

St. Hyacinthe, Que., is the twenty-ninth in a series of municipalities included in The Financial Post Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in the recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

A high level of industrial activity in the City of St. Hyacinthe has permitted moderate expansion in public services and maintenance of a healthy financial position.

Historic St. Hyacinthe is the home of more than 50 industrial industries, manufacturing numerous products, including textiles, leather, and world famous pipe organs.

Industrial activity has meant employment, payrolls and stable municipal income. Tax collections are much better than average. Debenture and other debt has increased, both on a total and per capita basis. Existing debt, however, cannot be considered unduly heavy for a municipality undertaking a programme of public improvement.

Cost of unemployment relief has been practically negligible, although population has gained steadily. The small amount that has been spent has come from current revenue.

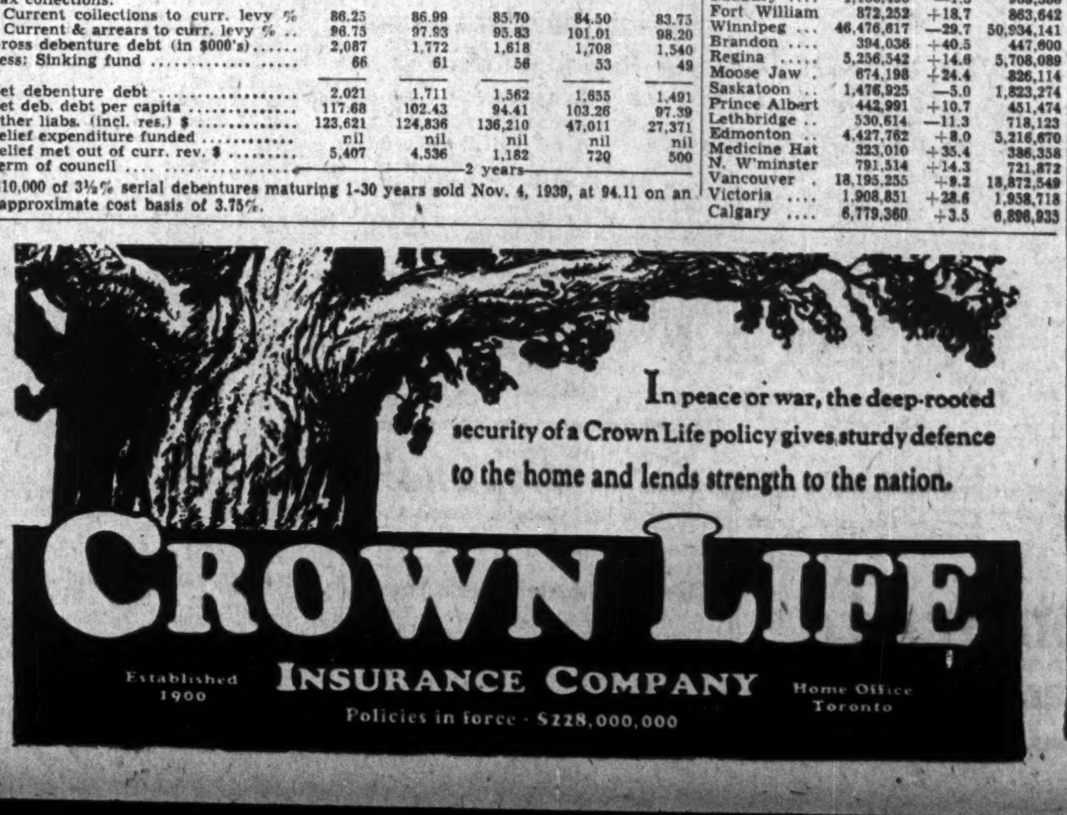
Statistical Picture

	1939	1938	1937	1936	1935
Population	17,174	16,703	16,542	16,031	15,307
Assessment taxable (in $000's)	17,227	17,024	16,799	16,567	16,166
Assessment per capita	1,000	1,019	1,016	1,033	1,050
Tax rate	70c	70c	70c	70c	70c
Current levy $	205,963	202,827	191,130	175,718	179,931
Tax collections:					
Current collections to curr. levy %	86.25	86.99	85.70	84.50	83.75
Current & arrears to curr. levy %	96.75	97.93	95.83	101.01	98.20
Gross debenture debt (in $000's)	2,087	1,772	1,618	1,708	1,540
Less: Sinking fund	66	61	56	53	49
Net debenture debt	2,021	1,711	1,562	1,655	1,491
Net deb. debt per capita	117.68	102.43	94.41	103.26	97.39
Other liabs. (incl. res.) $	123,621	124,836	136,210	47,011	27,371
Relief expenditure funded	nil	nil	nil	nil	nil
Relief met out of curr. rev. $	5,407	4,536	1,182	720	500
Term of council	—2 years—				

$410,000 of 3¼% serial debentures maturing 1-30 years sold Nov. 4, 1939, at 94.11 on an approximate cost basis of 3.75%.

Weekly Bank Clearings

	Nov. 28 1940 $	Change Year Ago %	Nov. 21 1940 $
Halifax	3,097,318	+20.3	3,827,677
Saint John	1,973,963	+19.3	2,165,020
Moncton	997,232	+16.3	1,058,076
Sherbrooke	882,850	+23.3	913,594
Quebec	4,968,220	+8.8	6,172,629
Montreal	115,829,487	+20.6	117,399,902
Ottawa	43,550,237	+149.4	40,461,980
Kingston	379,918	+6.6	708,895
Peterborough	566,946	+4.7	666,191
Toronto	104,181,439	+6.0	128,189,501
Hamilton	5,378,338	+3.5	6,916,649
Kitchener	1,110,860	+7.4	1,187,900
Brantford	928,247	+35.8	993,276
London	2,394,688	—4.6	3,079,180
Chatham	640,592	+11.3	782,781
Windsor	3,283,078	+37.2	3,540,724
Sarnia	419,832	+19.8	558,333
Sudbury	1,138,490	—1.3	989,388
Fort William	872,252	+18.7	863,642
Winnipeg	46,476,617	—29.7	50,934,141
Brandon	394,036	+40.5	447,600
Regina	5,256,542	+14.6	5,708,089
Moose Jaw	674,198	+24.4	826,114
Saskatoon	1,476,925	—5.0	1,823,274
Prince Albert	442,991	+10.7	451,474
Lethbridge	530,614	—11.3	718,123
Edmonton	4,427,762	+8.0	5,216,670
Medicine Hat	323,010	+35.4	386,358
N. W'minster	791,514	+14.3	721,872
Vancouver	18,195,255	+9.2	18,872,549
Victoria	1,908,851	+28.6	1,938,718
Calgary	6,779,360	+3.5	6,896,935



In peace or war, the deep-rooted security of a Crown Life policy gives sturdy defence to the home and lends strength to the nation.

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Policies in force - $228,000,000

WERE YOU TALKING ABOUT ME DADDY?

SUN LIFE OF CANADA
"Assured Security"

WAR SAVINGS COMMITTEE

An Urgent Message

To Every Employer

It is imperative that $10,000,000 every month be saved from the pay envelopes of wage and salary earners — and invested in War Savings Certificates.

At present, the splendid co-operation of many firms and individuals is resulting in an investment of about $2,500,000 a month in War Savings Certificates. But with the present course of the war this is not enough — heavier demands for more production require the increased objective of $10,000,000 a month.

To secure this amount, EVERY employee in Canada must save, and EVERY employer in Canada must encourage his employees to save. This not only applies to those who are sharing in the $35,000,000 monthly addition to payroll earnings which has resulted from increased business activity during the first year of the war, but to every wage and salary earner in Canada there comes the "Call to Sacrifice".

Some employers are alive to this fact. Many of them are not. Or, if they have the War Savings Plan in operation in their plant or office, their employees are not in it 100%, or are saving in such small amounts as to make it impossible to reach the increased objective of $10,000,000 each month. This condition must be changed immediately, as only an all-out 100% effort from both employers and employees will do the job required.

This 100% participation must be Canada's answer to Germany, where coercion is used to secure money. We must show the enemy, and show him NOW, that we can do voluntarily what he is doing by coercion.

Why The Help of Every Employer Is Needed

FIRST — Because Canada is at war — a war for survival as a nation. To carry on this war requires a tremendous production of the sinews of war.

SECOND — Because we must not allow our productive capacity to be diverted from our war effort by unnecessary spending.

THIRD — Because to the greatest possible extent, employees must be protected against upsetting post-war readjustments.

Remember, War Savings NOW, will provide a vast backlog of purchasing power for ordinary commodities when the inevitable period of post-war readjustment arrives.

To the extent that savings from pay envelopes are mobilized, there will be a curb upon inflation. If employees spend all of their earnings as fast as they get them, there will be rising prices, inflation and the evils that follow.

How Employers Can Help

Experience shows that the easiest and most convenient way for your employees to save is by a War Savings Payroll Plan. We ask you as an employer — whether you have 5 employees or 25,000 — to instal such a Payroll Plan; and to see that it is carried out effectively for the duration of the war.

So that employees will understand the need for saving we shall send you at intervals small bulletins to put in pay envelopes, and shall publish advertisements frequently in the press giving reasons for savings, telling where the money goes, and how savings vitally affect our war effort. Factory posters will be supplied at intervals. Honour Roll Certificates will be awarded for achieving 75% to 100% of participation by permanent employees. The necessity for regular saving will be constantly impressed upon every man, woman and child in the country.

You as an employer have a grave responsibility. The leadership in your organization must come from you. We count upon you to give this leadership. To get the plan working efficiently will, we know, involve more clerical work, but we must ask you to consider that as part of your contribution to the nation's war effort.

Nothing is more vital to the successful prosecution of Canada's war effort than the mobilization of the nation's savings. It is a gigantic task, but it must be done. We must not fail. And in the fulfillment of this task Canada is relying upon you to do your part.

To Every Employee

If we could sit down as man to man and talk about War Savings, we know that you as loyal men and women would strain every nerve to help us do what it is imperative to do to win this war.

Because, in these days you men and women who are the wage and salary earners are really in the "front line". And you are a mighty important part of that "front line" — as producers and savers.

You are striking Hitler as you carry on with your day-by-day work — keeping up vital production for both war and domestic requirements.

In addition, you fire a shot every time you put a dollar into War Savings Certificates. Because some of you don't quite understand the tremendous importance of this, we are talking it over with you — frankly.

Because to defeat our foes — and make no mistake about this—we simply must count upon the pay envelopes of Canada to produce an investment of $10,000,000 a month in War Savings Certificates. At present, loyal employees in many firms are saving about $2,500,000 a month in this manner. But this is not enough, as the course of the war is making heavier and heavier demands for the production of military, naval and air supplies and equipment.

The enemy is coercing his people to raise money. We must show the enemy that we can, and that we will, do more by a united voluntary effort than any people can do by coercion.

We can and we shall get $10,000,000 a month if EVERYONE saves his or her share. There must be no shirking, no putting-off, no "letting George do it". If necessary, you must sacrifice in order to save, for therein lies the path of duty and honour.

Why You Should Save and Lend To Your Country

FIRST, because you are helping to build planes and ships — to furnish guns and ammunition.

SECOND, because you are building a cash reserve for yourself — for your family — for the "after the war" period.

THIRD, because every dollar you spend unnecessarily may take people and machines away from war production and thus help the enemy.

You may ask: "What about the big fellows, what are they doing? What are you getting from them?" Be assured that the government is going after the big money, and getting it. Employers, executives, and wealthy people will tell you that. But, in addition to the big money, you wage and salary earners must lend Canada $10,000,000 every month.

To buy 25c War Savings Stamps is good; they have their place. Sixteen of these buy a War Savings Certificate. But employees must save in dollars. Stamps alone will not bring $10,000,000 a month.

No one need go without actual necessities to save, but we urge you not to buy things which compete for labour and materials with war production.

Save Every Dollar You Can—Lend It To Canada

There's that other vital reason for saving. When this war ends, there will be a period of readjustment. Men who now have good jobs may suddenly find themselves out of work or on short time. Let us hope not. But if you have a substantial sum in War Savings Certificates (accumulated while the war is on), you will be able to "stand the gaff" when industry is changing from a war to a peace time basis. You will be eternally glad THEN that you have saved money NOW.

We have sent to every employer the message you see alongside. When your employer asks you to start saving, or to increase your present savings, co-operate with him.

The following table represents an average basis of saving for a group of employees. These figures are only illustrative, of course, as the amount of saving which is possible will vary according to each individual's family and other economic circumstances.

EARNINGS PER WEEK	SAVINGS PER WEEK	WAR SAVINGS CERTIFICATES PURCHASED PER YEAR
up to $20	up to $1.00	$15 to $65
over $20 to $30	$1.25 to $2.00	$80 to $130
over $30 to $40	$2.25 to $3.50	$145 to $225
over $40	$3.75 to $9.25	$245 to $600*

*Limit for 1941

Men and women, you have a grave responsibility. These are indeed critical times, but Canada has confidence in you. We believe that you, as loyal and courageous citizens, will face the facts. We urge you to save your money and buy War Savings Certificates to see our country through to victory.

W. H. SOMERVILLE and de GASPÉ BEAUBIEN, Joint National Chairmen, War Savings Committee, Ottawa.

WAR SAVINGS CERTIFICATES

- Provide a safe investment — a direct obligation of the Dominion of Canada.
- Are sold in convenient denominations: $5 for $4, $10 for $8, $25 for $20, $50 for $40, $100 for $80.
- Provide a good return — your investment increases by 25% by maturity.
- May be redeemed at option of registered owner, after six months from date of issue at an established scale of values.

War Savings Stamps provide a convenient method for the purchase of War Savings Certificates by instalments

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Idle Shipyard Slated to Get War Order

Midland Plant, so Far Denied Contracts, to Resume Operations

The long idle plant of Midland Shipyards Ltd., at Midland, Ont., will resume operations before long on war shipbuilding contracts hitherto denied it. An initial $1 million order for two naval vessels is reported assured, though actual contracts may not be signed until later.

Lengthy dispute between the firm and Government authorities, over ship prices and other contract terms for war orders offered the plant, is reported to have been settled only this week. This quickly led to arrangements for reopening of the yard and its operation on war orders.

New tenders are reported to have been submitted to Ottawa by the company about a month ago.

Only One Idle

The largest of three shipyards at Midland, the plant for the past year has been the only major shipbuilding unit in Canada not sharing in Canada's $60 millions war shipbuilding programme. It has been almost completely shut down for over 10 years.

Acquired from the Playfair interests about 15 years ago by Canada Steamship Lines, the Midland yard was taken over last February by interests headed by Roy M. Wolvin, an outstanding figure in the shipping and steel industries in the years following the last war. He was president of British Empire Steel Corporation prior to its reorganization and absorption into Dominion Steel & Coal Corp., and at one time was vice-president of Canada Steamship Lines.

At the outbreak of war Mr. Wolvin was president and held a controlling interest in three other shipyard concerns at Kingston, Collingwood and Port Arthur. Acquisition of the Midland plant gave him control of all the major shipyards on the Great Lakes, excepting the Toronto plant later established by James Franceschini, wealthy contractor now interned.

Continued Inactive

Early this year, the Kingston, Collingwood and Port Arthur between them got the largest single share—orders for 19 ships costing $11 millions—of the contracts awarded to yards across Canada for corvettes and minesweepers. Later the new Franceschini plant got an order for four ships at a price of approximately $2.3 millions, but the Midland yard continued to stand idle.

This caused rising resentment and agitation in Midland, and considerable curiosity elsewhere. The chief explanation advanced, even up to now, was that Mr. Wolvin insisted on a contract price for boats built at Midland considerably above what Government supply officials thought was fair and were willing to approve. Other yards took contracts at Ottawa's prices, it was said.

It was also pointed out that the Midland plant was inactive and not fully equipped at the time the main shipbuilding programme was launched in January and February; that its capacity was not required to carry out the programme; and that Mr. Wolvin's other yards had already shared generously in the contracts let. However, these were not deemed major factors, and this was borne out by award of the contract to the old Toronto plant rehabilitated and put into operation by James Franceschini.

Wide Spread

At one time, the spread between what Mr. Wolvin demanded and the Government offered was reported as high as $100,000 per boat, and last summer was said to be around $30,000 to $40,000 per boat.

Indignation of Midland civic officials and business interests mounted over the continued failure to use the yard for war purposes. This was climaxed in July by demand of the Midland town council that the Government expropriate the yard with wartime authority and put it to work on war orders, or else force it to be turned over to other private interests ready to run it.

Nothing came of this, though Government officials reiterated their readiness to take over the plant if, as and when it became urgently required to meet war needs. Whether this urgency has now arisen and threat of expropriation has brought about the reported agreement for use of the yards, is not clear.

In the meantime, Midland interests have been demanding with increased vehemence that the yard be used in the war effort and to help meet the urgent need of merchant shipping for Britain. The Lemoyne, biggest freighter on the Great Lakes, was built at the Midland yard, which also built a number of cargo ships for the British Government during the last war.

Recent editorials in the Midland Free Press have recalled that Hon. C. D. Howe and other Liberal spokesmen promised prior to the March 26 election that ships would be built in Midland as part of the war effort. It has been suggested in Midland, says the Free Press, that failure to use the shipyard means "the town is being publicly spanked" for having voted Conservative in the election. Be that as it may, the "spanking" is now apparently to be ended.

Canadian Marconi Co. Unworried by Budget

From Our Own Correspondent

MONTREAL.—Embargo on United States radio sets and the 25% excise duty placed on Canadian sets will not greatly affect the radio set business of Canadian Marconi Co., according to Albert H. Ginman, president of the firm.

"We will gain something from the import prohibition," Mr. Ginman continued, "but will lose in the heavier levy on the Canadian-built articles. What the whole thing means, I suppose, is that the Canadian Government is anxious that this branch of industry devote all of its time and labor and materials to furthering the war effort."

M. M. Elliott, sales manager of the company, said the new excise tax might force the company to be more conservative in the number of models produced.

Week in Mining

Plan Tax Concessions For Marginal Mines

Ottawa Wants to Keep Present Marginal Gold Mines Operating and To Aid New Marginal Propositions In Reaching Production

While no definite reference was made concerning gold mines in the "budget" speech of Finance Minister J. L. Ilsley last Monday, it is reported that Mr. Ilsley definitely had gold mines under consideration when he spoke of Canadian industry increasing their exports to enlarge our supplies of U.S. dollars.

If certain marginal gold mines can be kept in production by tax concessions, it is now understood that the Government is prepared to make these concessions. According to Ottawa reports, there are "at least 100" gold mines that are not now in production "through lack of capital or because the ore is just short of commercial." Most of the marginal mines are reported to be in Ontario, with others in Manitoba, British Columbia and Quebec.

Possible Steps

What form the tax relief for marginal gold mining operations will likely take is not yet known. Many mine operators favor a method by which a marginal mining company would be allowed a profit margin of say 40 cents a ton before any tax at all is levied. This would be sufficient to prevent some marginal mines from being closed down due to taxation and might prove enough assistance to bring new properties into production.

It is possible that the board of referees under the Excess Profits Tax may be authorized to ascertain a special standard of profit for gold mines coming into production after Jan. 1, 1938. At the present time the greater of 12% of net profits or 75% of the excess value of production must be paid over in excess profits tax by all gold mines in this category.

* * *

New Listings?

Application is understood to have been made for listing two new issues on the Toronto Stock Exchange, Jason Mines and Albany River Gold Mines. The listing of Albany River Gold Mines is likely to come first with practically all the information necessary for listing now in the hands of the Exchange. New surface discoveries have resulted in a revival of interest in the Albany River situation.

Jason Mines will not likely be listed for a short time yet as it is planned to submit a balance sheet as of Nov. 30, 1940. To compile this balance sheet, certain information must be secured from the mine and also the final mint returns for November production from Ottawa.

* * *

Fill Lead Needs

In spite of the tremendous demand for metals caused by the war, Canada is apparently able to produce more than is immediately needed of at least one metal—lead. A spokesman of Consolidated Smelters out in British Columbia states that lead is now being stored as production is running greater than requirements.

If Canada and Australia, the Empire's two large lead-producing countries, can continue to produce more lead than immediately required or desired in reserve, it might be desirable for the United Kingdom to liquidate some of their purchases in the world market where a better than average price is now available. This would help bolster our all-important reserves of foreign exchange.

* * *

O'Brien's Move

Spectacle of the Toronto and Montreal mining markets last week was O'Brien Gold Mines which rose from 85 cents to $1.60 a share in the course of a few days. After hitting the high of $1.60 on Thursday, the stock reacted to touch $1.05 a share on Saturday. It has been higher since.

Although many rumors were rife, no concrete reason has come out for price gyrations in the company's stock. Apparently there is no new development at the property to warrant any such rise in the stock. Death of Senator M. J. O'Brien a week ago might have brought a new factor into the situation, some people think, but nothing to justify this belief has come to light.

* * *

East Malartic

Besides O'Brien, rumor was also active with East Malartic Mines, which on Monday of this week sold down as low as $2.75 a share. Production has been showing a down trend recently and there were reports that the company might be encountering excessive dilution. This view was discounted by others who pointed out that the average grade of ore in reserve is considerably higher than average grade now being treated.

Perhaps the real weakness in the stock was caused by a break in the power supply. According to our informant, the supply of power was interrupted for 27 hours, during which time water rose for a height of 300 ft. With the shaft recently doubled in depth, a rise of water 300 ft. in the shaft would not be excessive considering the extent of the workings. This break in the power supply may be reflected in November production, it is believed.

A Practical Solution to a Gift Problem

Among your friends there's possibly a junior executive in a manufacturing organization,

. . . or perhaps a young man who wants to make his way in the investment world

. . . an alert, aggressive merchant who should keep well informed

. . . a woman investor who needs reliable information on markets.

Each of these could read The Financial Post with profit — a subscription would be a helpful gift.

Each succeeding issue will be a *new* gift — a weekly reminder of your genuine thoughtfulness and discriminating good taste . . . Mail your instructions today.

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6 Mos. — 2.50

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I am enclosing cheque for $.................. for which please send The Financial Post

To ....

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Send Special Christmas and New Year greeting card indicating that this is a gift from:

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176

Week in Oils

The "Budget" on Oil

From Our Own Correspondent

CALGARY.—While Finance Minister Ilsley pointed out the need for conserving foreign exchange in purchase of crude oil and oil products in his "baby budget" speech last Monday, no concrete steps were taken to change present policies. Imports of crude oil from the United States under permit will continue to be made when this is considered to be in the country's best interests.

There will, of course, be an even greater tendency to exploit domestic sources of crude oil. Failing domestic supplies, purchases will be made in the sterling block rather than from the United States wherever this proves feasible. As production from Turner Valley seems to have caught up with immediate demand and immediate storage facilities, the question of importing oil from Montana for the prairie market does not enter the picture at the moment.

* * *

Allowables Reduced

The Oil & Gas Conservation Board was forced to revise earlier plans last week and order a reduction in Turner Valley oil well output for December. Allowable for the month was set at 682,000 bbls., 22,000 bbls. per day. The programme for year-round stabilized production was temporarily thrown out of gear by a combination of circumstances, brought about by completion of several big wells and the somewhat heavier than expected November production.

The production schedule for November had authorized 121 wells to produce an average of 25,400 bbls. daily. Completion of new wells, however, raised actual production far beyond this rate. By month end revisions and additions had raised allowable for 123 wells to 27,775 bbls., while five new wells, not yet assigned quotas, swelled production the latter part of the month to a yield fluctuating between 28,000 and over 30,000 bbls. per day.

* * *

Surplus the Cause

Refiners, who had pledged themselves under the oil controller's stabilization plan to take a fairly uniform output throughout the year, found that November production was far in excess of their nominations. Part of the excess was absorbed by refiners. The balance piled up in the field.

Complicating the picture was a situation, since straightened out, which required the importing of considerable oil during early November, into the prairie market.

Faced by the temporary surplus of Turner Valley oil, which refiners could not and would not take, oil controller Cottrelle and Conservation Board head Allen apparently decided to slash December allowable to bring net production for the final two months of the year in line with the programme worked out with refiners.

* * *

Back Up in January

While the production outlook for the balance of the winter had not been clarified by the oil controller or the Board chairman up to the time of writing, authoritative sources contacted by The Financial Post expressed the opinion that the situation would be well in hand by the end of December and that the stabilization programme, as originally scheduled, would be back in operation in January. That is, field production for the balance of the winter will likely be between 24,000 and 26,000 bbls. per day.

The December quota of 22,000 bbls. daily was divided: 1,000 bbls. set aside for new wells scheduled for completion in December; 1,526 bbls. to five new wells not given quotas during November; 19,474 bbls. to the 123 wells which ended November with a daily quota of 27,665 bbls. The 123 wells were curtailed by 8,191 bls. per day.

* * *

Reason For Allotments

Criticized by operators was the fact that more than half of this 8,191 bbls. cut was passed on to 15 of the largest producers in the field. The explanation of this seemingly discriminatory allocation of production is as follows:

From July 1 to Nov. 30, the field was operated at its maximum efficient rate in an effort to meet heavy fall requirements. During this period the proration formula long used by the Conservation Board to determine the sharing position of each well in the field allowable, was to a great extent discarded.

* * *

Return to Formula

Many wells were permitted to operate at rates far in excess of what their sharing position would have been if the formula had been adhered to. At the same time, however, such wells were operated quite efficiently. The maximum efficient production of other wells, notably the majority of older wells in the heavily drained south end, was only slightly higher than what the sharing position under the formula would have been. A return has now been made to the formula.

While these big wells will not go back to their maximum efficient production rates (roughly speaking, their November allowables) until and unless the field is permitted again to produce at its maximum efficient rate, it appears reasonable to expect that these wells that can produce efficiently at much higher rates than now allowed will receive a major share of the production hoist looked for in January. The field potential is now placed at between 28,000 and 29,000 bbls. daily. Production for the early new year is expected to be between 24,000 and 26,000 bbls. daily.

* * *

Two North End Tests

Two more drill-tests of the northwest extension of Turner Valley, recently limelighted by the successful completion of the discovery venture Alberta Oil Incomes No. 2, were announced this week.

The first new venture announced is Ace Royalties No. 1, to be drilled quarter of a mile north of Incomes No. 2 in L.S.D. 5 4-21-3w5. The well is backed by the Commonwealth Group of companies, who will take up the entire issue of 52% preferred net royalties being issued to finance drilling.

The second venture, Major Oil Investments No. 3, is to be drilled in L.S.D. 1 8-21-3w5, a full mile north of Incomes No. 2, and half a mile north of the Major Oil Investments No. 2 well in L.S.D. 12 4-21-3w5, where rigging up is under way.

Major No. 3 is to be financed by the issue of 52% Preferred Net Royalty; 25% gross is payable. Drilling contract has been let to Snyder & Head Ltd. and work is starting immediately. Clifton C. Cross, F. A. Schultz, George Harris and C. S. Bell are backing the venture, which is on acreage acquired from the Millarville Syndicate.

Sullivan Mining May Go Higher

Depth Development Proceeds—Picking Belt Will Raise Grade

Following the sinking of the No. 2 inclined shaft of Sullivan Consolidated Gold Mines from 500 to 1,100 ft. depth, crosscutting is now proceeding at the sixth level, The Financial Post is informed. It is expected that all the shaft work and installation of the new headframe will be completed early in January when aggressive development from the sixth to 11th level will get under way.

Lateral development on the 10th and 11th levels from long crosscuts put out from No. 1 shaft were on a restricted scale while sinking of No. 2 shaft was in progress. Three drill holes, however, are stated to have indicated the No. 2 sheared zone lying to the east of the No. 2 shaft with a value of $13.80 returned over 13 ft. of core in the most easterly hole. A crosscut is now being driven to this zone.

Recent work is stated to have extended the "A" vein system on the 11th level to the east and west. Stoping will be commenced when hoisting facilities are available in the No. 2 shaft in January, it is stated.

A second picking belt is now being installed which will permit mining lower grade ore with grade milled to be stepped up by heavy sorting. Further hoisting facilities at No. 2 shaft are also expected to aid in increasing production.

While no official statement is available, it is reported to be likely that ore reserves will be higher at the end of 1940 than at the end of 1939 when they totalled 368,700 tons averaging 0.303 oz. per ton.

McKenzie Finds Rich Ore Show

Some spectacularly rich ore has been opened up recently by McKenzie Red Lake Gold Mines in work at its 850-ft. level. Samples reaching head office are literally plastered with gold and values extend right through pieces weighing several pounds.

Officials do not anticipate any large amount of the new rich ore will be opened up, but even a limited amount will undoubtedly prove a fine "sweetener" for the mill. It is possible that material of this rich character will be sent direct to the refinery without being put through the mill.

Pascalis Shaft Goes to Depth

Work at 1,300 and 1,600 Feet Expected to Start in February

Sinking of a three-compartment shaft at the property of Pascalis Gold Mines has now reached a depth of 1,100 ft. with four stations cut below the 500-ft. horizon. Originally it was planned to carry out development on these levels but in view of structural disclosures at Perron Gold Mines, it was decided to continue sinking another 500 ft.

Exploration is now projected for the 1,300 and 1,600-ft. levels and it is anticipated that sinking will be completed early in 1941 with lateral work starting in February.

Has Zone Extension

Lateral development at the Perron mine is stated to have proved the favorable granodiorite formation at the 625-ft. level of Pascalis Gold Mines. Vertical diamond drilling along the north and south boundary has returned ore intersections at various depths to 1,565 ft. Development disclosures at depth in the Perron mine are stated to be strongly indicative of continuity of similar structure on Pascalis adjoining immediately to the east.

FOUNDATION PAYMENT

A distribution of one cent a share has been declared by Foundation Petroleums, payable Dec. 30, 1940, to shareholders of record Dec. 20. Last previous payment was one of a similar amount on March 2, 1940.

McMarmac Mill Working In

Preliminary Adjustments Being Made — Tonnage Comes Up

Difficulties experienced with the turning over of every new mill are now gradually being ironed at the new 75-ton plant of McMarmac Red Lake Gold Mines, The Financial Post is informed. Milling operations were commenced on Oct. 17 and the mill tonnage has been gradually increased until slightly over 65 tons a day is now going through.

The McMarmac flow sheet involves four distinct steps. First of all comes amalgamation followed by cyanidation. This in turn is followed by flotation. Concentrates from the flotation process are shipped for roaster treatment and one shipment has already been made along with some from Cochenour Willans Gold Mines. These go to the Tacoma smelter on the Pacific coast.

No Stoping Yet

Mill feed has so far come from the surface dump, development headings and stope preparation. No actual stoping has so far been done but this will start shortly now, it is expected. Recent drifting has been returning high ore values in at least two places, although actual assays are not available.

The management expects to make reports on production at quarterly intervals. Due to the fluctuating character of the ore, it is felt that a more representative picture is given over a longer period than a month. Altogether the company has a total of 70 men on the payroll, working at surface and underground. A small amount of surface construction is still going on and it is likely the regular staff of workers will be slightly under the present number.

Reeves MacDonald Still Shut Down

The property of Reeves MacDonald Mines remained closed down in the hands of a caretaker during the year ended Aug. 31, 1940, the company's annual report reveals. No mention is made of any possibility of reopening the property.

Balance sheet as at Aug. 31, 1940, shows total current assets of $27,842, including 26.659 cash. Current liabilities were $346.

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CENTRAL PAT. EXTRA

An extra dividend of 2 cents a share has been declared by Central Patricia Gold Mines, payable along with the regular quarterly dividend of 4 cents a share on Jan. 2, 1940, to shareholders of record Dec. 12, 1940; ex-dividend date is Dec. 11. This will make a total of 23 cents a share for 1940.

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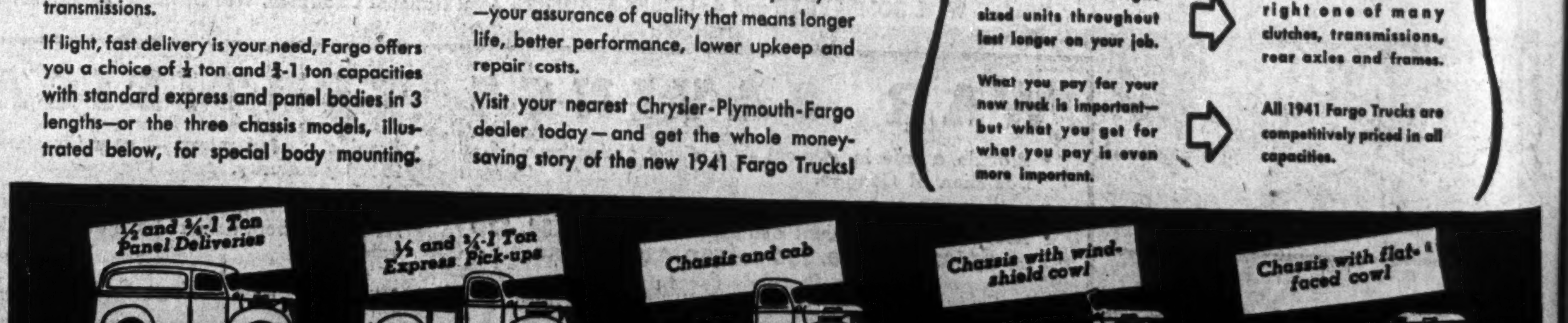

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Mine Firms Live Longer Now

Bogey of Mine Exhaustion Met by Opening New Mines

By GORDON M. GRANT
Staff Writer, The Financial Post

From a list of dividend yields, it might be thought that mining stocks usually give higher returns than industrials and that, as a corollary, mining stocks are relatively undervalued. But people know, however, that every mining dividend is partly a return of capital; that mines are wasting assets, and even the biggest mine will some day be exhausted.

The Dominion Government recognizes this fact and exempts 20% of mining dividends from personal income tax as a return of capital. In addition, mining companies are allowed to treat a third of their profits as property depletion in working out their corporation and excess profits levies.

But in spite of the tendency of mines to become exhausted, mining companies themselves are showing an ever-increasing ability to perpetuate their respective existences. In the early days of Canadian mining many companies flourished for a time, paid out most of their profits in dividends, and when their mines became exhausted they were soon forgotten. But the situation is radically different now.

Organized Exploration

Practically every large mining company in Canada now maintains its own exploration department in a continuous search for new mines to replace its original producer. Several companies such as Teck-Hughes Gold Mines, Noranda Mines and Hudson Bay Mining and Smelting Co. have organized subsidiary companies with the sole purpose of carrying on exploration and investigation of interesting prospects.

Large mining companies have big engineering staffs whose experience in mining is a valuable asset when the possibilities of a new property are to be sized up. With the idea of perpetuating their existence, most of the companies hold back a portion of operating profits from shareholders to build up the company's working capital position. A strong working capital position allows a company to finance any new proposition of merit that happens along. Even when a company is unable to secure a new mine by itself, it can often participate in new enterprises which have proved successful. Numerous mining finance companies have been built up in this way.

Noranda Good Example

Probably the most successful company in the development of new mines to perpetuate its existence is Noranda Mines. Although its Horne mine has ore reserves available for around 15 years' operations, the company has developed no less than five subsidiary operations, four of which are bringing in revenue at the rate of over $2 millions a year or close to $1 a share per annum on each Noranda share outstanding.

Noranda has three producers in the Porcupine area: Hallnor, Pamour Porcupine and Aunor Gold Mines. Each of these companies has proved its ability to produce profitably and both Hallnor and Pamour Porcupine have returned the original cost of their shares in dividends.

Aunor Gold Mines, of course, is a relatively new producer and has not yet commenced payment of dividends. From the available information, it appears that Noranda's equity in Aunor profits is running close to $300,000 per annum. Spreading out still further, a Noranda producer in Nicaragua—Compania Mineral La India—is preparing to place a mill of 200 tons capacity on a new property being opened up.

Many Other Companies

The case of Noranda is exceptional but there are undoubtedly a large number of mines in Canada which have benefitted from development of subsidiary operations. It is not so long since directors of Teck-Hughes Gold Mines, fearing exhaustion of the Teck mine, embarked on a programme of exploration. The result was the opening up of the Lamaque mine in Quebec. So important has the Lamaque subsidiary become that its production has now become greater than that for the Teck mine itself.

Instead of gradually experiencing a dwindling away of profits, Teck-Hughes has experienced a steady increase of profits the last three years due to Lamaque dividends. Teck-Hughes still continues active in the exploration field and the company's financial position would permit the financing of any other mines that happen to be located. Finding a new mine takes time, however, and no property has yet been found comparable to Lamaque.

Sylvanite Successful

Another company in the Kirkland Lake area has had considerable success in the development of new mines. Sylvanite Gold Mines now holds a controlling interest in Delnite Mines which it financed into production and in Tyranite Mines, another producer developed. Not content with just two new producers, the company remains on the outlook for other new properties of merit.

Toburn Gold Mines, subsidiary of Premier Gold Mining Co., has been searching for a new mine for several years in association with the American Smelting & Refining Co.

Wright-Hargreaves Work

Wright-Hargreaves a year ago joined the growing number of producers in the Kirkland Lake area that have an exploration department. Active development of the property of White-Guyatt Mining Co. is now being carried on. Lake Shore Mines has carried out exploration of the optioned Kirkland Basin property adjoining to the north, but no regular exploration department is maintained.

In the western sector of the Kirkland Lake camp Macassa Mines has been participating in exploration of the Amalgamated Kirkland property and a heading is also being driven from the company's workings into the Casakirk property. Like Lake Shore Mines, however, the company has so far not extended its exploration. Macassa is a relatively young mine and it is as mines get older that exploration departments are usually formed.

Hollinger and Dome

In the Porcupine camp Hollinger Consolidated and Dome Mines vie with each other as the most successful company in the development of new mines. Hollinger is now receiving regular income from its big tonnage, low-grade operation, Young Davidson Mines in the Matachewan area, and increasingly profitable operations have also been carried on at the Ross property, lying southeast of the Porcupine area. Furthering its mine financing programme, a half interest has been taken in Jerome Gold Mines which is being brought into production with a mill of 500 tons capacity. Years ago Hollinger helped erection of the Noranda smelter through purchase of a bond issue.

Sigma Helps Dome

Efforts of Dome Mines to discover a new mine were rewarded in 1937 when Sigma Mines was brought into production. Milling capacity and profits at Sigma have experienced a steady growth and dividends were started this year. These dividends have maintained Dome earnings while taxation has doubled.

McIntyre Porcupine Mines has developed the Belleterre mine in Quebec. Results recently have been favorable and preparations have been made for treatment of a larger daily tonnage.

Outside of Hollinger, Dome and McIntyre, many producers in the Porcupine area are relatively young. Not many have yet organized regular exploration departments. One company, Broulan Porcupine Mines, however, has undertaken a major share of the financing of the adjoining property of Bonetal Gold Mines where drilling has given numerous ore intersections.

Sherritt Active

In Manitoba, Sherritt Gordon Mines has joined Hudson Bay Mining and Smelting Co. in the exploration field. Prospectors of the company last year located a large block of claims in the Granville Lake area but drilling failed to reveal a commercial deposit. In this case, exploration was started when it was feared the Sherritt Gordon main west ore body did not continue to depth. Since then, however, drilling has revealed the strong downward continuation of ore with a westerly rake. In spite of this improved situation, the company is still maintaining its field investigations.

Smelters is Outstanding

Practically all the large mining companies in British Columbia maintain exploration departments. Consolidated Smelters, the outstanding example, has now established profitable operations in the Yellowknife area. Premier Gold Mining Co. has extended successful mine financing to such far places as Arabia, Australia and Nicaragua. Bralorne has been successful in bringing a subsidiary in Nevada, Summit King Mines, into production.

Pioneer Gold Mines has been active in the search for new mines in eastern Canada as well as western Canada and recently an antimony property was brought into production in British Columbia. Sheep Creek Gold Mines is assuming an important place in investigating properties which may warrant production. Recently the company purchased a former lead-zinc producer and it is believed that profitable operations can be carried on.

O'Brien Exploring

Coming back to Quebec in eastern Canada, O'Brien Gold Mines has probably been the most successful company after Noranda Mines. The company placed Cline Lake Gold Mines in production and active investigation of other properties is being carried on. Beattie Gold Mines in the Duparquet area is continuing its investigation of the Dumico property in a policy of examining properties in its general area.

Siscoe Looks at Two

In the Siscoe-Lamaque area Siscoe Gold Mines has started a broad programme of searching for a new property of merit. The company is participating in underground development of the Vicour property and diamond drilling is also being financed in the section north of the Malartic area. In the same general area, Howey and associates are drilling on two properties optioned from Amphi Gold Properties. Besides Siscoe, Sigma Mines is financing exploration of an adjoining property.

To Drill 6 Miles Of Porcupine

Exploration of its 3,000 acres, covering the western extension of the Porcupine area, will be started shortly by Unity Porcupine Mines following private subscription of $80,000 by interests in Canada and the United States, the company reports. Initial exploration will consist of cross-sectioning the zone by diamond drilling at intervals for a distance of six miles. Part of the property covers the extension of the Faymar zone, it is stated.

Unity Porcupine has sold five large blocks of ground to five operating companies incorporated recently, Bedford, Dartmouth, Lowell, Mount Vernon and Westchester Porcupine Gold Mines. Operations of all these companies will be under the direction of Naybob Gold Mines.

Vicour Results Said Favorable

Quebec Gold Belt Shareholders Asked to Pass Plan

Results obtained in exploration at Vicour Gold Mines since last March have given considerable encouragement, according to a letter mailed to shareholders of Quebec Gold Belt Mines which is seeking shareholders' approval to certain financing arrangements.

Diamond drilling is being carried on at Vicour at present, the letter states, and from further results obtained will depend to what extent the work will be carried. Development underground is checking up favorably with the drilling, it is stated.

Options at 15 to 70c.

Financing plans call for 2 million Vicour shares to be made available for financing under the joint agreement with Inspiration Mining and Development, Consolidated Smelters, Siscoe Gold Mines and Anglo-Huronian. Authorized capital is 3 million shares of which 1,447,815 shares were issued at the time of the agreement. An option was granted on the 1,552,185 shares at 15 to 70 cents a share. Major Vicour creditors had also agreed to settle their $40,000 claim by accepting stock at 15 cents a share.

In order to make the further shares required available, Quebec Gold Belt Mines has called a meeting of shareholders for Dec. 10 at Fort Erie. The company proposes to transfer 294,931 shares of its holdings to a trustee, while Anglo-Huronian also will transfer 152,884 shares which will make the balance of 2 million shares required. Quebec Gold Belt, after making the transfer, will still hold 637,479 shares of Vicour Gold Mines, it is stated.

Jason Output Now At Record Rate

Drilling Through Ice to South Planned For This Winter

Production of gold at Jason Mines has been at a high rate recently and it is expected November output will set a new record exceeding the $65,197 produced in October by a considerable margin. Output the first 15 days of November amounted to $37,000. Since Nov. 15 output has been running close to 65 ozs. per day or $2,500 daily except for two days when output was lower due to an adjustment of the ball mill scoops and use of amalgamation clean-up only every other day.

The mill is now being held at a rate of 128 to 130 tons daily but it is expected that it will be stepped up to 150 tons daily with the tuning up of certain equipment.

Drilling through the ice to the south of the No. 1 shaft is planned this winter to see what geological conditions are like there. Drilling will be done practically vertically due to the flat-lying characteristics of the formation in the district.

Work on the drift being put out to the Camrock property at the second level is progressing. After passing through a stretch of barren material some encouragement has been had recently with one recent face running $106 across 24 inches, it is stated. One old suface drill hole ahead shows a value running over $20. There is still a considerable distance to be driven before Camrock ground is reached.

Northern Canada Profit Higher

Three Groups of Claims Staked in Savant Lake Following Discoveries

With income from dividends and interest showing an increase to $72,035 in the year ended Sept. 30, 1940 from $66,689 the previous year, Northern Canada Mines showed an increase in net profit to $61,797 last year from $52,447 in the 1939 period.

Earnings were equal to 6.2 cents a share last year against 5.2 cents the previous year.

Highlight of operations last year was discovery of gold by the company's prospectors in the Savant Lake area. Several discoveries were made altogether and three groups of 25, 16 and 6 claims were staked. Detail work is now being done to intelligently plan diamond drilling this winter. The general structure and geology are stated to be excellent and good values have been obtained in many places.

A third interest was also held in a prospecting party which staked claims in the Savant Lake area adjacent to the company's property.

In addition to independent prospecting activity, the company participated in exploration of mining properties in association with other companies. A fifth interest is held in options on two groups of claims of Amphi Gold Properties in the Malartic area. Encouragement is stated to have been received particularly on the East block. An option is still held on a property of Woco Gold Developments but no work is being carried on at present. Options on Hutchison Lake Gold Mines, Lake Expanse Gold Mines and Daguerre Gold Mines haave been dropped.

Income and Surplus Account
Years Ended Sept. 30

	1940	1939
	$	$
Dividends & interest	72,035	66,689
Less: Expenses	10,238	14,242
Net profit	61,797	52,447
Add: Prev. surplus	58,868	6,421
Surplus forward	120,665	58,868
Earnings Per Share and Dividend Record:		
Earned	$0.062	$0.052
None paid.		
No of Shs. Outstand.	1,000,000	1,000,000
Current assets*	52,655	48,271
Current liabilities	14,961	15,529
Working capital*	37,694	32,742

*Not including securities which had a market value of $715,423 in 1940 and $852,032 in 1939.

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Nfld. Finances Much Improved

From Our Own Correspondent

MONTREAL.—Increased revenue and decreased expenditure during October are reported by the Newfoundland Commission of Government.

Newfoundland has not actively shared in war costs as it is a Crown Colony, but it has voluntarily undertaken a programme to remove the burden from Britain of financing deficits and interest on its funded debt. Taxation has ben sharply increased and outlay restricted.

Results are reflected in financial statements for October, when revenue increased 5% to $1.1 million and expenditure dropped 27.1% to $1 million, compared with October last year.

In four months of the fiscal year, which commenced July 1, revenue has been up 14% to $4.3 millions, and expenditure down 15% to $4 millions from the same period last year. Result for this period, after certain adjustments of receipts and payments in London, has been a surplus of $228,859, against a deficit of $896,864 last year in the same period.

Revenue and Expenditure
October

Revenue:	1940	1939
	$	$
Customs	938,101	884,431
Post & telegraphs	63,542	55,164
Assessor of taxes	2,600	36,770
Natural resources	10,675	21,937
Other revenue	73,218	75,499
	1,128,136	1,073,801
Expenditure:		
General	1,008,204	1,381,893
Four Months Ended Oct. 31		
Revenue:	1940	1939
	$	$
Customs	3,453,802	4,038,802
Post & telegraphs	240,139	226,197
Assessor of taxes	218,041	139,604
Natural resources	48,459	86,701
Other revenue	295,504	223,270
	4,255,210	3,734,574
Expenditure:		
Debt charges	4,780	27,872
General	4,021,571	4,603,568
	4,026,351	4,631,430

Mining Concentrates

Argus Interests had a net aggregate asset value of $802,092 at Nov. 15, 1940, equal to 79 cents per share, shareholders were informed at the annual meeting held on Nov. 29. This compares with 70 cents a share on Aug. 31. Directors plan to pass on earnings to shareholders in the form of dividends and it is estimated that income for the current fiscal year which ends Aug. 31, 1941, will exceed $50,000. With 1,015,556 shares issued, it is believed possible that 5 cents per annum could be paid annually. According to G. S. Pettit, president, loss of $49,311 for last year on sale of investments was occasioned by switching from some securities to others where future income seemed more secure.

* * *

Arntfield Gold Mines reports treatment of ore from Senator-Rouyn at a rate of approximately 275 tons daily is giving the company a monthly income of about $17,000, sufficient to carry on mill operations and to provide for diamond drilling. Two drill holes have been completed from surface, each cutting wide mineralization although not commercial. One underground drill is also operating and a new break has been cut north of the old workings, giving an assay of $6 across 2.2 ft.

* * *

Duquesne Mining Co. advises payment has been received for 75,000 shares, balance of the Nov. 21 installment. Next installment is 100,000 shares due Jan. 5.

* * *

God's Lake Gold Mines encountered ore in shaft sinking at a depth of 890 ft. with ore continuing in the shaft to 940 ft. A 5.5-ft. channel assay returned an average 0.15 oz. per ton. The company had not expected to encounter ore for another 300 to 400 ft. It is proposed to establish levels at 150-ft. intervals below 1,050 ft.

* * *

Jasper Porcupine Mines was incorporated with an Ontario charter during the month of November. Authorized capital of the company is 3 million shares with a $1 par value. Head office is in Toronto.

* * *

Negus Mines is now within 200 to 300 ft. of the indicated downward extension of the rich south surface showings in its drifting at the third level, Joseph Errington, the company's vice-president, told shareholders at the company's annual meeting last week. All the mine's development to date has been centred on the north ore body although surface showings in the south section are stated to have been better, samples ranging from one to 15 ounces per ton. Costs are expected to be reduced after power connections are made with Consolidated Smelters. Smelters expects to have its new hydro-electric plant in operation by the end of January.

* * *

Naybob Gold Mines has built up its financial position to approximately $275,000 after provision for mill expansion with the receipt of $50,000 from the exercise of an option on 200,000 shares at 25 cents a share recently. Issued capital is now 4,570,309 shares with financing completed. Expenditures in connection with deepening the shaft to 1,500 ft. and payment of dividends are to be met from earnings. Commencing Dec. 1, production of $50,000 as a monthly minimum is planned, compared with an average of around $46,000 the first 11 months of this year.

* * *

O'Brien Gold Mines is currently treating ore about the same grade as indicated in the last annual report, H. E. Sparks, mine manager, informed shareholders at the annual meeting held in Montreal on Nov. 30. Reports were approved and directors re-elected at the meeting. A vote of condolence was passed to J. Ambrose O'Brien, president of the company, on the death of his father, the late Senator M. J. O'Brien.

* * *

Slave Lake Gold Mines is reported to have completed erection of mill buildings and is now proceeding with installation of a 50-ton milling plant. Production is expected to commence during the current month.

* * *

Stadacona Rouyn Mines creditors and shareholders who have not yet filed claims must file them on or before Dec. 24 or they will not be considered, the company's liquidator advises. Question as to the validity of overissued notes is still to be settled by the courts.

* * *

Sand River Gold Mining Co. has opened a third ore shoot in drifting east at the 900-ft. horizon. It now shows a length of 60 ft. averaging 0.65 oz. across a width of 10 inches. Earlier work opened two shoots, the first 70 ft. averaging 0.63 oz. over 23.6 inches and the second shoot of 45 ft. running 0.42 oz. over 12.6 inches. These shoots are stated to represent the upward extension of the east ore first opened up on the 1,150-ft. level where 640 ft. of ore was exposed in three shoots. There is still about 400 ft. to go before the boundary with Leitch Gold Mines is reached.

* * *

Yama Gold Mines reports an agreement has been reached with the Hydro-Electric Power Commission of Ontario for construction of a power line to tie up with the substation near the Omega line at Larder Lake 12 miles to the northeast. Work has now started on cutting this line and a formal contract will be signed shortly. Officials expect installation of hydro-electric power will speed up development.

Mining Enquiries

Kerr-Addison

Please give me some information on Kerr-Addison earnings, present and prospective.

Kerr-Addison Gold Mines is now distributing dividends at the rate of 20 cents a share per annum, payable quarterly, which requires the paying out of approximately $235,000 every three months.

Operating profits have shown a steady increase in 1940 and amounted to $680,276 in the third quarter so it appears quite obvious that a larger margin of profit is being realized over dividend requirements even after write-offs. However, production in the third quarter was higher than normal due to treatment of better than average grade ore and a lower grade may be treated this quarter.

Around the end of the year, Kerr-Addison will increase mill capacity 50%. This is expected to result in record profits for next year with prospects for higher dividends enhanced. Even with the higher milling rate, it is understood that ore reserves are sufficient for many years' requirements. Considerable additions to ore resources have been made recently.

Consolidated Smelters

Please give me some information on the present outlook for Consolidated Smelters.

Following the outbreak of war Consolidated Smelters stepped up its production to capacity and undertook to increase capacity even further. Prices at which the company's huge output of lead and zinc are being sold approximate those existing at the outbreak of war which were lower than the average for some years previously. As no sharp rise in costs has so far been experienced it appears that a greater volume of output is meaning considerably higher revenue for the company.

Earnings for 1939 were equal to $2.85 a share, a considerable increase over the $1.90 reported for the previous year. Some of the increased profit in 1939, however, was attributable to liquidation of inventories—something the company will not benefit from again in 1940.

A recent statement revealed that Consolidated Smelters has ore reserves sufficient for over 20 years' milling requirements which is a substantial reserve. The company has improved its working capital position materially the last two years but improving working capital has not prevented the company from financing profitable operations in the Yellowknife area.

East Malartic

How great are the ore reserves of East Malartic Mines? Does there appear to be much prospect that these reserves will be increased? Any general information you can give will also be appreciated.

East Malartic Mines has now completed its big programme of shaft sinking and underground development of a series of new levels will soon be under way. Diamond drilling carried out from the stations for the new levels indicated the downward extension of the company's main ore body with undiminished width and values.

At the current rate of milling, ore reserves reported up to the end of last year were sufficient for approximately six years' requirements. If the downward extension of the main ore body turns out as drilling indicated it is possible that an important addition to ore reserves may be made next year. This could possibly lead to consideration of an increase in mill capacity.

From reported operating costs and current production, it appears that the company is having no difficulty whatever in maintaining its present dividend rate of 40 cents a share per annum.

Gold Eagle Milling Realizes Profit

A substantial improvement in operating results was shown by Gold Eagle Gold Mines for the three months ended Oct. 31, 1940, as compared with the preceding quarter. Due to increased recovery with treatment of a higher grade of ore, a profit of $14,378 was realized for the quarter as against a loss of $3,572 the previous quarter, before allowing for taxes, depreciation or deferred development.

Production for the October quarter amounted to $114,507 from 11,714 tons of ore milled for an average recovery of $8.49 per ton. This compared with the previous quarter's recovery of $90,019 from 11,391 tons of ore and average recovery of $7.34 a ton.

Taking Down Backs

Although vigorous exploration was carried out on the 850 and 1,000-ft. levels by crosscutting, drifting and diamond drilling, exploration has not yet uncovered ore of sufficient magnitude to be satisfactory, it is stated. Backs are being taken down in several places where interesting assays are shown in the drifts over short lengths. Further exploration is being carried out with the hope of enlargement of possibilities. Diamond drilling is also being used throughout the mine to thoroughly explore all possibilities which are not already exhausted.

During two months of last summer, Dr. E. L. Bruce of Queen's University made a study of geological problems.

The net current position of the company is reported at $187,714, an increase of $19,390 since the end of the previous quarterly report, it is stated.

Mackay President Manitoba Chamber

At a meeting of directors of the Manitoba Chamber of Mines in Winnipeg on Nov. 28, H. A. Mackay was elected the new president. Mr. Mackay, a Bachelor of Science and Civil Engineer of the University of Glasgow, is manager of the Manitoba Bridge and Iron Works and is general manager of Manitoba Rolling Mills, a subsidiary.

F. V. Seibert was re-elected as vice-president of the Chamber and F. J. Manning was re-elected honorary secretary. J. P. de Wet was re-appointed secretary.

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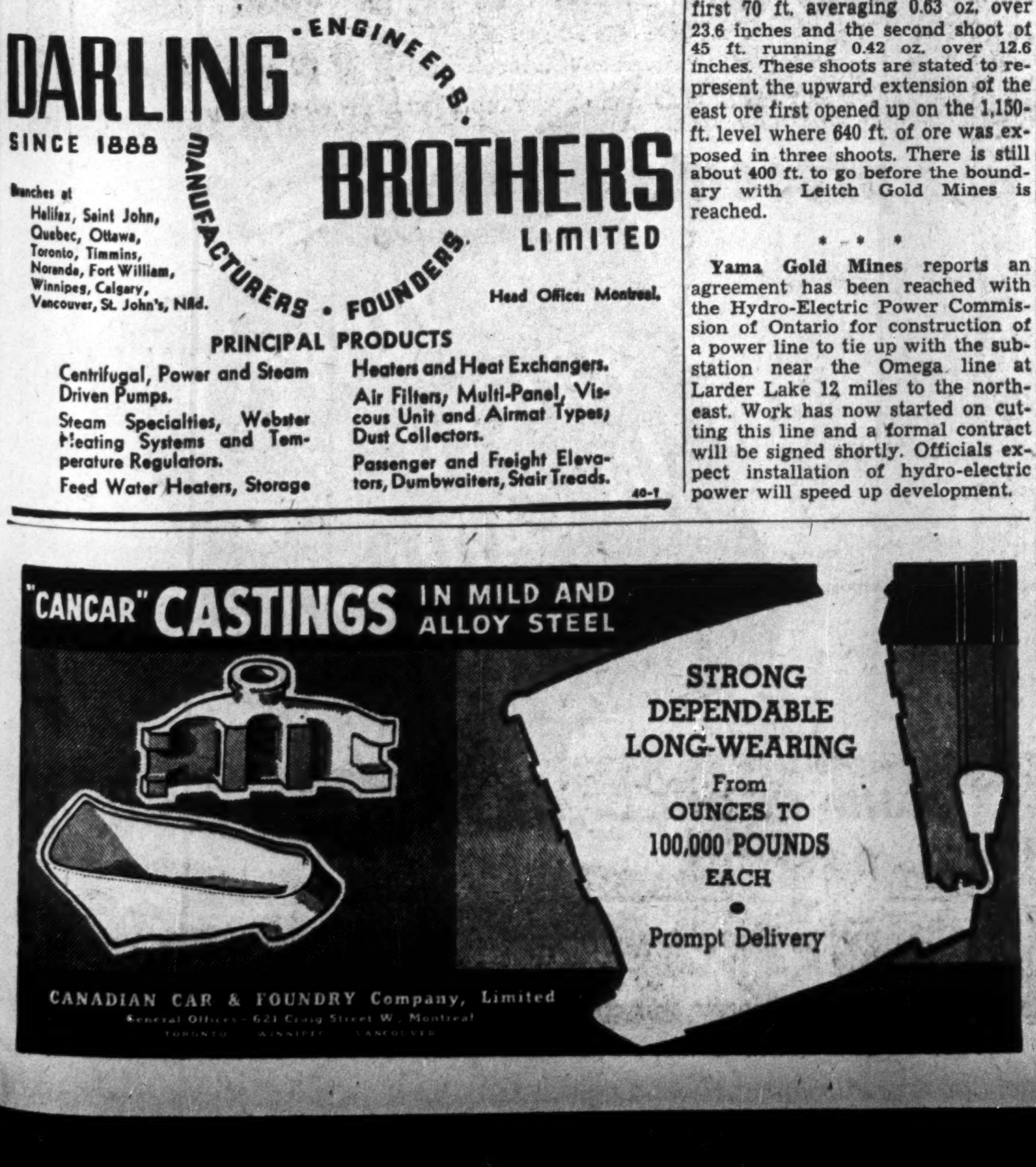
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PROPERTY
The area of the Company's property totals approximately 800 acres located in the Kirkland Lake district of Northern Ontario.

PROGRESS
Extremely fine progress has been made by the Company this past year. During the year loans totalling $150,000 were retired, and two dividends of three cents each, amounting to six cents per share, have been paid.
The main shaft has been deepened to the 1000 ft. horizon and two new levels are being opened at 875 and 1000 feet.

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More Shares Traded On Montreal Markets

MONTREAL.—Trading in industrial shares on the Montreal Stock Exchange and Montreal Curb Market more than doubled during November over October, and was the highest for any month since last May. Mining turnover also recorded a substantial improvement.

During the past month 358,913 industrial shares were traded, compared with 173,765 shares in October and 600,615 shares in November last year. Mining volume totalled 422,024 shares as against 226,335 shares in the previous month, and 1,113,626 shares in November a year ago.

War Adds Textile Jobs

Canadian Companies Expand Plants and Operations to Meet Huge Demands of Mars

From Our Own Correspondent

MONTREAL.—Over 84 important textile plant expansions have been carried forward during the first 10 months of this year among the 500 textile manufacturing, knitted goods and hosiery plants in Canada. The programme involved importations of machinery valued at over $5 millions and further expenditures on building and ancillary plant equipment estimated about the same figure.

While the war has accelerated these expansions, a comprehensive industry-wide modernization programme has been under way for the past five or six years preceding the outbreak of war during which time an estimated $50 millions was expended by the industry on new plants and developments.

According to a survey by Canadian Textile Journal, this primary division of the Canadian textile industry occupies front rank among Canada's key defense industries, and stands today as one of the most modern in the world in plant, personnel and equipment.

At the beginning of September this year, there were over 72,000 persons employed. This compares with 58,282 employed at the outbreak of the war, an increase of nearly 24%.

10% of All Orders

Over 10% of the total value of supply contracts placed by the Canadian Government during the first year of the war amounting to $390 millions were placed for textile clothing and supplies for the armed forces.

Of this $39 millions over two thirds comprised woollen and worsted cloth, blankets, socks and underwear. cotton drill and canvas, parachute cloth, airplane fabric, yarns, cords and braids, webbing and other textile materials produced in Canada.

Following the invasion and downfall of France last June, Canadian textile production of war materials has been stepped up to the point where 65% of the full time double-shift capacity of the woollen and worsted industry and a large proportion of the cotton industry output is concentrated on the production of essential war materials.

All sections of the primary textile manufacturing industry in Canada have participated in these developments.

In the cotton industry, Dominion Textile Co. has expended over $2,000,000 on plants at Magog, Drummondville and Montreal; although all the nine mills of the company located in Quebec have undergone important plant improvements. At the Drummondville mill and the St. Anns mill in Montreal, entirely new cotton yarn spinning, twine and net manufacturing have been established. Only recently the company announced the important installation of a complete rayon staple fibre spinning plant in the mill at Sherbrooke, Que.

The $1,000,000 plant expansion and modernization programme announced early in the year by Canadian Celanese Ltd. is about one-half completed, including expansion of spinning equipment and complete modernization of dyeing and finishing plants.

The latest new unit at the plant of Courtaulds (Canada) Ltd., Cornwall, was completed during the year, marking the fourth major expansion of rayon yarn spinning equipment by the company in the past eight years, involving an expenditure of about $1½ million in each instance.

Many Plant Changes

In the cotton industry, other important developments have included major alterations and additions in the plants of Montreal Cottons, Valleyfield, Que., at the Cornwall and Hamilton, Ont., plants of Canadian Cottons Ltd., at the Wabasso Cotton Co. plant at Three Rivers, Que. and at the Hamilton Cotton Co. plant in Hamilton, and the Cosmos-Imperial Cotton Co. plants in Hamilton and in Yarmouth, N.S. Additions were also carried out in the cotton yarn spinning plants of Newlands and Co., Galt, Ont.

In the woollen and worsted industry, unit developments have been smaller but more numerous. Three entirely new mills have been established, together with complete new yarn spinning departments in two others.

Among the important developments in this section of the industry have been plant modernization and machinery installations at Dominion Woollens & Worsteds, Hespeler; Newlands & Co., Galt; Renfrew Woollen Mills, Renfrew; Maitland Spinning Mills, Listowel; Wool Combing Corp. of Canada, Acton, an entirely new project; Textile Weavers Ltd., Grand'Mere, and others.

Make War Materials

Other outstanding plant developments in the industry have been the large expansion of the Zephyr Looms & Textiles, Guelph, for manufacture of military webbing and the establishment of two important silk parachute manufacturing plants, at Fort Erie and at Montreal, for production of parachutes from fabrics manufactured in Canada on which government orders were recently placed for upwards of 750,000 yards.

Numerous other smaller developments have been carried out, bringing the total to 84 separate expansions, which have materially increased productive capacity of the industry on essential war materials.

In addition and equally important in the textile industry have been the numerous and important developments in the clothing and shirt manufacturing sections of the industry which have been largely engaged during the year on producing clothing for the armed forces.

Doing Big Job

The textile industry has carried out an outstanding job in production of cloth, clothing, equipment and textile materials required for the defense operations, with the utmost co-ordination of production facilities and co-operation with government departments. In the first months of the war, shortage of wool supply proved difficult but under organization of the Wool Controller these difficulties were soon overcome. Now the entire wool supplies of the country come under his direction and importation of needed supplies through the British Wool Control is going forward smoothly and satisfactorily.

Raw cotton supply is ample, of course, coming chiefly from the United States, although during recent months due to the disparity in exchange upwards of one third of the raw cotton consumed in Canada has been imported from Southern Brazil. Cotton spinning operations in Canadian mills has been at record capacity during the first 10 months of this year, cotton bale openings for the period being 60.9% higher at 317,443 bales of 500 lb. net weight each, than during the corresponding 10 months ended October last year.

Building Boom Soaring Toward 1928-30 Level

Canada's construction boom soared to still greater heights and at a still faster rate in November, foreshadowing a total volume for the full year within shooting distance of the record figures of 1928-30. Assured for 1940 is a gross nearly double last year and the highest in 10 years.

In the first 11 months of this year, construction contracts awarded for all types of operations amounted to over $329 millions, a jump of $151 millions or 85% over the same period of 1939. Should December awards hold at the level of recent months—and indications are that an even better rate is possible—the total for 12 months of 1940 should amount to at least $346 millions and possibly as high as $375 millions.

This would compare with contract awards in previous years as follows:

	Millions of $
1940	*346-375
1939	187
1931	315
1930	457
1929	577

* Estimated.

Factory Building Soars

In the prodigious increase so far this year, construction of wartime factories and other industrial buildings has been the greatest contributing factor. It shows the largest increase in both amount and percentage. Running a close second is the jump in the business construction category, arising chiefly out of the huge volume of projects for the air training plan, other military and defense construction, and Government wartime building generally.

In November, air training and military projects showed signs of tapering off, but industrial construction was still further accelerated in relation to both October of this year and November last year. Factory building awards in November were 23 times greater than in the same month last year, and the 11-month total is between five and six times higher than in the same period of 1939.

An encouraging feature of November operations was the upturn in normal types of construction. Residential building showed a gain of 27%, following up a substantial rise in October, and the cumulative total for this year is now level with 1939. Increased awards for road building boosted the total for engineering construction above last year.

Investing in Wartime

(Continued from page 11)

peace time price levels. I am firmly of the opinion, however, that the ability of leaders of industry is capable of surmounting any and all difficulties, provided a sound and sympathetic Government policy toward industry is maintained. Granting the above, it should not be long before investor confidence will have been restored to a point where the existing margin between the yields on government obligations and sound equities will be narrowed and higher levels of stock prices experienced allowing for nervous and erratic markets which must be expected under war uncertainties.

		Cost Oct. 31 1939	Value Oct. 31 1940
Government Bonds:			
$		$	$
5,000	Dom. of Can., 3/42 ...	5,187	5,162
Corporation Bonds:			
2,000	Dom. Stl. & C'l, 6½/55	2,340	2,120
1,000	Gt. Lakes Pap., 5/55 .	950	925
2,000	Price Bros., 4/57	2,120	1,760
Shares:			
Preferred Stocks:			
75	Can. Car & Foundry ..	2,325	1,575
20	Candn. Celanese	2,360	2,500
15	Sherwin-Williams	1,650	1,725
20	Simpsons Limited	1,920	1,990
20	Western Grocers	2,200	2,100
Common Stocks:			
20	Aluminium Limited ..	2,500	2,300
100	Building Products	1,700	1,425
75	B. A. Oil	1,762	1,359
20	Canada Packers	2,040	1,745
10	Can. Industries, B	2,380	2,210
20	Dominion Glass	2,400	2,530
50	Hudson Bay Mining ..	1,725	1,400
125	Imperial Oil	1,850	1,312
100	Imperial Tobacco	1,550	1,413
50	Inter. Nickel	2,475	1,850
50	Moore Corp.	2,250	2,187
25	Noranda Mines	1,950	1,469
50	Ogilvie Flour	1,750	1,225
25	Steel of Canada	2,175	1,862
		49,560	44,145

Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, analyzed according to chief categories of projects started, are shown in the following tabulation by The Financial Post from the monthly building statistics of MacLean Building Reports.

CONSTRUCTION CONTRACTS AWARDED
First Eleven Months

	1940	1939	Change	
	Millions of $			%
Residential ...	63.3	63.3	nil	nil
Business	98.7	52.9	+45.8	+86
Industrial	115.5	20.5	+95.0	+463
Engineering ..	51.1	40.6	+10.5	+25
Total	329.1	177.7	+151.4	+85
November Totals				
Residential ...	7.6	5.2	+1.4	+27
Business	7.3	3.7	+3.6	+98
Industrial	36.8	1.6	+35.2	+2,031
Engineering ..	3.1	2.2	+0.9	+40
Total	54.9	12.7	+42.2	+332

Details of November Awards

	November 1940	November 1939
	$	$
Apartments	1,015,000	206,900
Residences	6,601,200	5,035,100
Total residential .	**7,616,200**	**5,242,000**
Churches	156,000	174,600
Public garages	201,800	531,500
Hospitals	1,103,700	170,900
Hotels, clubs	201,800	368,600
Office bldgs.	255,500	282,100
Public bldgs.	3,706,200	922,600
Schools	132,000	117,200
Stores	662,300	526,800
Theatres	232,500	45,900
Warehouses	678,000	567,800
Total business ...	**7,329,800**	**3,708,000**
Total industrial .	**36,792,600**	**1,566,900**
Bridges	139,200	10,000
Dams, wharves ...	248,300	577,400
Sewers, w'mains ..	629,300	871,300
Roads, streets	2,032,000	659,500
Genl. engineer'g. .	14,200	104,200
Total engineering	**3,063,300**	**2,222,400**
GRAND TOTAL ..	**54,981,900**	**12,739,300**

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Consol. Sand Pays $3.50 Div.

Total Payments on Preference This Year Reach $4.75

Consolidated Sand & Gravel Limited, subsidiary of Standard Paving & Materials, has declared a dividend of $3.50 a share on its preference stock, payable Dec. 18, 1940, to shareholders of record Dec. 7. Last previous dividend was $1.25 a share, paid on June 1 this year. After giving effect to the December payment, arrears will amount to $40.50 a share.

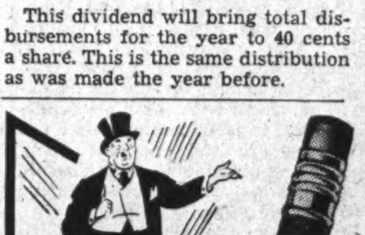
Operations of Consolidated Sand & Gravel have shown improvement over 1939 to date, and the latest payment will bring dividends to date for the year, which ends March 31 next, to $3.75 a share. No dividends were paid in the year ended March 31, 1940, while the full $7 rate was paid in the two preceding years.

Hart Battery Co. Declares 15 Cent Extra

From Our Own Correspondent

MONTREAL.—Directors of Hart Battery Co. have declared a dividend of 10 cents a share, plus an extra of 15 cents a share, payable Dec. 31 to shareholders of record Dec. 10.

This dividend will bring total disbursements for the year to 40 cents a share. This is the same distribution as was made the year before.



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Manitoba Budgetting For Less Outlay

Manitoba is budgeting for expenditure of $15,9 millions in the year ending April 30, 1942, according to estimates tabled in Legislature by Hon. Stuart Garson, Provincial Treasurer. This marks a reduction of $196,072 from estimated expenditure in the year ending April 30, 1941, which represented a peak in the province's history.

The reduction in expenditure in the coming year is attributable to a $214,442 cut in interest charges on provincial debt.

Canadian Breweries Arrears Unchanged

Canadian Breweries Limited has cleared another 75 cents a share dividend on its preference stock, payable Jan. 2, 1941, to shareholders of record Dec. 14. This leaves arrears unchanged at $6.75 a share.

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